

THE TIMES

The Lisbon-Blackpool
road to tyranny:
Bernard Levin, page 14

Revised forecasts on world trade cast gloom on Britain's recovery plans

plans to overcome its economic problems through expansion have received a setback with evidence of an early recovery in world trade have been pessimistic. Leading economic officials in Washington now say that the forecasts must be put back at least six

months. They blame the time lag on sluggish demand in the United States, West Germany and Japan. It is now estimated that the Western industrial countries will have a balance of payments surplus this year of \$10,000m (£4,760m) instead of the forecast small deficit.

Sluggish progress by the West's strongest economies

Jay
Editor
Sept 4

An early recovery in the world economy next year, on which plans for the recovery of the British economy next year have been based, has been dashed by evidence of sluggish growth in the strongest economies of the world, the United States, West Germany and Japan which are the pace-makers of the recovery.

as the American, Japanese and the stronger EEC countries in response to cautious reflationary measures so far introduced or shortly expected. This surplus compares with forecasts of a bare balance or even a small deficit given in the July Economic Outlook of the Organisation for Economic Co-operation and Development (OECD) and in this week's opening address to the International Monetary Fund's annual meeting by Mr R. Johannes Witteveen, the fund's managing director. Officials here are so worried about the implications of these new payments estimates that Dr Oskar Emminger, of the West German Federal Bank, the chairman of OECD's working party No 3, has cancelled a press conference tomorrow at which the figures would normally be revealed.

Mr Denis Healey, the British Chancellor of the Exchequer, has this week refrained from specific criticism of West Germany, Japan and the United States, to whom he even paid tribute for the earliest effective reflation. But he is well aware that every month by which the recovery of the strongest economies is postponed extends the period of high unemployment in Britain during which, according to his strategy, London will be waiting for export-led recovery. Any measurable upturn in Britain before the end of 1976 now looks most unlikely.

The biggest change is in the United States, where a surplus on current account this year of \$10,000m (£4,760m) is now expected, compared with earlier forecasts of a mere \$3,000m surplus. The current balances of Canada and the EEC are each expected to be stronger by \$1,000m, though Britain is still estimated to have a deficit in 1975 of nearly \$4,000m. These figures, which are to be discussed tomorrow at a high-level meeting of the OECD's working party No 3, are disputed by West German and Japanese officials, who still maintain that adequate reflation has been injected into their economies and that their imports from the rest of the world will pick up fast during the rest of the year.

American officials, however, point out that the \$5,000m revision is due to reduced oil imports, mainly by the United States, and that another \$2,000m of the revision is due to higher exports to the oil-producing countries. Neither of these changes, American economists maintain, can be said to be exporting recession. But the fact remains that on present trends the notion of spending power in the Western world, or in the economies now faced with a current deficit of almost \$4,000m. They are quite unable to finance this kind of imbalance.

Reforms in budgeting

Gondrick-Clarke
Editor

Two years after the first attempt at a budgetary reform, the Government's long-awaited reflation programme, designed to pull the French economy out of its recession, is especially designed to stem the threatening rise of unemployment, which has already exceeded the million mark, and is expected to rise further before the tide is reversed. His statement came after the decision this morning by the Bank of France to lower the official discount rate by an unprecedented one, and a half points to 8 per cent, which was part of the psychological battle for the plan.

France puts millions into reflation plan

From Charles Hargrove
Paris, Sept 4

President Giscard d'Estaing, in a television broadcast this evening, outlined in considerable detail the Government's long-awaited reflation programme, designed to pull the French economy out of its recession. It is especially designed to stem the threatening rise of unemployment, which has already exceeded the million mark, and is expected to rise further before the tide is reversed. His statement came after the decision this morning by the Bank of France to lower the official discount rate by an unprecedented one, and a half points to 8 per cent, which was part of the psychological battle for the plan.

Government's objectives in the next few years were the reduction of hours of work and the lowering of the retirement age. He had asked the Government to transmit proposals to this effect to employers and unions. The massive plan, which provides for new expenditure and credits totalling about 30,000m francs (about £3,000m) or more than 2 per cent of the gross national product, falls into three parts: a substantial increase in public investment especially in public works such as roads, harbours, waterways and the high speed railway between Paris and Lyons, which get the lion's share of 13,000m francs; 9,600m francs in the form of postponement of tax payments for private industry; and a total of 7,400m francs in aid and 5,000m francs in support measures for domestic consumption, especially an exceptional grant of 700 francs to more than two million pensioners and handicapped people.

Councils are shown where to cut services

By Christopher Warman
Local Government
Correspondent

The long-awaited government circular on local government spending was published yesterday with the blunt statement that next year "there will inevitably be a reduction in the standard of services". In addition, bus fares and council rents are expected to be further increased. It comes after the announcement last month by Mr Crosland, Secretary of State for the Environment, that there must be a "standstill" in local government spending in 1976-77, and is in response to a request from local authorities for guidance on how they should restrict spending.

The Association of County Councils and the Association of District Councils emphasized that the "standstill" would in fact involve a deterioration in most services. The circular recalls that local authority spending this year (1975-76) has exceeded the level set in the Government's rate-support grant settlement by about 2 per cent, which was originally the amount of growth allowed for next year. That is the reason for the "standstill". Against that background the government spending departments concerned with local authorities have offered preliminary advice on individual services. Detailed guidance will be given when the rate support grant is settled for 1976-77, in November.

Minister to plead for calm in Northern Ireland

In a television broadcast tonight Mr Rees, Secretary of State for Northern Ireland, will appeal to the people of Northern Ireland to abandon the present communal violence (our Political Correspondent writes). The decision to make such an appeal came last night after Mr Rees had reported to Mr Wilson.

TUC keeps link with Soviet block unions

The TUC policy of seeking closer links with trade unions in East Europe is to continue in spite of criticism at Blackpool yesterday of Communist activities in Portugal. The conference also decided to press the Government on the requisition of empty houses and heard rail and textile workers resist further roundings in their industries.

Sinai signing without US and Russia

Israel and Egypt signed their new agreement on disengagement in Sinai in Geneva yesterday without the expected presence of both American and Soviet representatives. The ceremony lasted less than 10 minutes and the representatives of the two sides exchanged neither looks, smiles nor handshakes. In Cairo, President Sadat hit back at his Arab critics and accused Russia of "flagrant provocation" over its boycott of the signing.

Offer by Communists

Portuguese Communists have indicated their willingness to cooperate with their Socialist and Popular Democratic rivals. Confrontation is expected to take place today.

Mercy plane hijacked

Fifty Timor insurgents last night hijacked an Australian aircraft bringing in medical supplies under the Red Cross insignia for victims of the Portuguese territory's civil war. They forced the pilot to fly to Darwin, where all 50 were arrested.

Rugby sponsorship

The Rugby Union have for the first time accepted sponsorship at senior level. The national knockout competition will be re-named the John Player Cup with £100,000 backing over three years.

Air takeover affirmed

Aircraft manufacturers are alarmed at the Government's decision to go ahead with nationalization. They had hoped for some concessions in the Bill—to be re-presented in the next parliamentary session.

Fewer prep schools

The number of preparatory schools in Britain is dropping slowly but the number of pupils continues to rise slightly. According to figures published yesterday membership of the Incorporated Association of Preparatory Schools fell from 464 last year to 453 in January this year.

Silver dealers protest

London silver dealers walked out of the first sale of the season at Sotheby's yesterday in protest at the introduction of a 10 per cent buyers' premium.

Police name wanted Irish woman terrorist

By David Leigh
and Clive Borrell

An Irish woman terrorist, still active in England, was described yesterday by Commander Roy Hattersley, head of Scotland Yard's bomb squad, as "probably the most dangerous and active woman terrorist operating over here" as he issued a public appeal for information. The arrest of Miss Margaret McKearney, aged 21, from Co Tyrone, was a matter of urgency, Scotland Yard said. She carried explosives and money between England and Ireland and had been involved in last winter's London bombings and shootings, which led to a policeman's murder. She had also been involved with terrorist activities in Southampton last December, when two policemen were wounded.



Mr Arthur Koestler, the author, at his Kensington home yesterday. He is 70 today.

Anti-PLO protest as Queen opens debate

By George Clark
Political Correspondent

A demonstration in Parliament Square just before the Queen arrived at the House of Commons yesterday to open the Inter-Parliamentary Union conference called attention to a subject that was later to be debated by delegates from 75 countries at the conference in the Festival Hall. A group of Jewish organizations paraded under the statue of Sir Winston Churchill, proclaiming: "We are ashamed that our Queen is made to associate with the PLO (Palestine Liberation Organization) terrorists." Another set of placards forecast that it would be: "PLO today—IRA tomorrow."

Nevertheless the representatives of the Palestine Liberation Organization arrived peacefully with about a thousand MPs, wives and representatives at Westminster Hall to hear the Queen open the conference. Referring to the purpose of the Inter-Parliamentary Union, the Queen established a rapport with the parliamentarians by suggesting that no parliament could exist without "rows" between its individual members. "This could hardly be," she said, "as parliaments are composed of human beings. But the parliamentary process does enable change to take place without violence, because its essence is a respect for the other person's point of view and a passionately-held belief in his right to express it."



Miss Margaret McKearney.

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HOME NEWS

Ministry move might threaten security, Chiefs of Staff say

By Peter Hennessy

The Chiefs of Staff have warned the Government that dispersal of sections of the Ministry of Defence central headquarters from London to Glasgow in the early 1980s might jeopardize national security because of the political uncertainty created in Scotland by the devolution programme.

The security services have been asked to investigate the strength of the communist influence in the Glasgow area, long a stronghold of the left, since the dispersal programme will require the recruitment of more than four thousand civil servants there.

The Ministry of Defence will establish a total of six thousand posts in Glasgow between 1982 and 1984. Only a small proportion of the most senior officials will be transferred from London. The bulk of the middle management and junior posts will be recruited locally, thereby fulfilling the object of the Government's dispersal exercise, which is to create employment in development areas.

The Ministry has yet to determine which of its func-

tions will be transferred to Scotland, but research and development of certain military weapons have already been designated for dispersal and will ensure that the Glasgow out-station of the Ministry is treated as a highly sensitive installation.

The security services are understood to have judged the threat of communist infiltration insufficient to prevent the transfer of parts of the Ministry to Glasgow. None the less there is speculation in Whitehall that the uncertainties in Scotland engendered by the probability of the devolution of significant political powers from London, and the remote possibility of an independent Scotland within the EEC, might eventually induce the Government to reverse its decision.

Mr Rodgers, Minister of State for Defence, has delayed the final decision on dispersal to permit further consultations with his ministerial colleagues and the Civil Service unions. Apart from the security factors, the cost of dispersing the Ministry to Glasgow and Cardiff, and the provision of new buildings for the transfer of officials is estimated at £300m.

Milk powder mountain 'not available for Oxfam'

By David Leigh

The skimmed milk powder mountain in Europe, which has reached a million tons cannot be used by voluntary agencies for emergency relief, Oxfam complained yesterday.

Although the powder is available at cut prices, regulations make it virtually impossible to obtain.

Oxfam said yesterday that after putting in an application in mid-August to buy 10 tons of milk powder for emergency relief in Angola, it had only just received a reply from Brussels.

The EEC Commission said

that powder could be sold only to registered agencies. Oxfam had not been told that when it put in an earlier application in March. More important, the Commission said, powder could be released only after a formal procedure lasting up to two months.

Other regulations made it impossible to buy powder in advance and stock it for longer than four months. As a result, although sudden emergencies were the only situation in which the milk could be useful, it was in effect, impossible to get rapid supplies, Oxfam said.

Students are urged to withhold hall fees

Students in university halls of residence are to be urged to withhold rents in protest against the alleged inadequacy of the grant to cover increases in accommodation charges, the National Union of Students said yesterday.

Last year the NUS asked that students outside London should receive a grant of £845 a year, but the Government had increased their grants only to £740. That meant that £400 was expected to go on board and lodging, and £340 on everything else, such as books and clothing, the union said.

But a survey by the union showed many hall fees were substantially more than £400 this year. Accommodation fees at polytechnics, which pooled their resources and subsidised resident students, were £10 to £12 a week for full board, the union said. In the university sector there was no rent subsidy. Universities were obliged under regulations of the University Grants Commission to balance their books and to charge economic rents.

Many students were going to face hardship unless effective action was taken, Mr Alastair Stewart, deputy president of the NUS, said yesterday.

Print unions get together

Leaders of the four printing unions had informal talks in Blackpool yesterday to try to improve relations. They discussed the application by the National Graphical Association for re-affiliation to the TUC after its departure three years ago for refusing to deregister under the Industrial Relations Act.

Mr William Keys, general secretary of the Society of Graphical and Allied Trades, said: "Things have changed with the introduction of new technology, and now the only answer is to have one union."

Psychologist urges parents to recognize the cry for help Naughtiness seen as stress sign in children

By Diana Coddess

Abnormally aggressive or submissive behaviour in a child is often a cry for help and should be treated with support and understanding, not with criticism and punishment, a psychologist says.

Writing in the latest edition of *Where*, an education magazine for parents, published today, Mr James Hemming urges parents and teachers to look out for the stress signals displayed by children when they are unhappy or worried but do not want to admit it.

He says that cries and setbacks are good for a child if he has the capacity and adult support to cope with them. But if they are beyond him his confidence may be sapped and he may go into a nervous retreat or become untypically aggressive.

Children under stress cover up their difficulties for reasons of self-esteem or anxiety to live up to parents' expectations.

They may be competing with older brothers and sisters and will go to great lengths to prove they are not inferior. Or they may fear the ridicule of their peers.

Mr Hemming sees regression as a typical stress signal. The child takes a step back in the growing-up process, and, for example, may start to wet his bed again. A sudden decline in confidence lasting beyond a mere mood is likely to be linked with a deep discouragement.

Stealing, other than exploratory and adventure stealing found among boys of about eight, usually indicates an emotional lack and is a symbolic attempt to make up for it.

Children who feel physically interior often give stress signals. Bullying is a common sign and should be treated sympathetically. The bully who is punished merely learns to be more careful.

An unexpected decline in general competence is a stress signal that may accompany no little success in relation to others. The child says to himself: "I'm no good, so what's the point in trying?"

"Failure is like strychnine", Mr Hemming writes. "A little can be a stimulant, a little more than a little is a poison." If a child, normally eager to talk about what he is doing at school, suddenly clams up it is very likely that he has hit a bad patch.

Mounting obstinacy is often

an indication of difficult relations with others. It may grow from a sense of being dominated by someone, or it may be a way of self-expression for a lonely and defeated child. The best counter to obstinacy, as to many awkward attitudes, is plenty of appreciation.

In dealing with stress signals, Mr Hemming urges parents to distinguish between support and intervention. Children always welcome support, but may resent intervention. Only when support has failed should careful intervention be used. Criticism increases stress and undesirable behaviour.

One way to counteract a child's reticence to talk about his worries and fears is for parents to share their own difficulties with their children.

Low flight disrupts Sussex town

A man appeared in court yesterday after homes had been evacuated at Bognor Regis, Sussex, because a light aircraft flew low over the resort. School buses were rerouted until the aircraft eventually landed in a field.

Gary Scott, aged 29, of Oldbury Farm, Crookhill, near Chichester, was charged with entering an office as a flying club, stealing a key, and taking a Piper Cherokee 180 aircraft.

He was remanded on bail until October 9, ordered to report daily to the police and told not to approach Mrs Patricia Walton, of Hastings Close, Bognor Regis. Reporting restrictions were not lifted. Last night Mr Scott was in Lewes Prison because sureties had not been found.

The incident began soon after the police had advised a couple about a domestic dispute. An aircraft took off from Goodwood and circled Bognor for almost 30 minutes.

Full pensions for troops hurt in pub blasts

By Robert Parker

Soldiers who are injured by bomb explosions in public houses then frequent when off duty and which are regarded as "soft" targets for terrorist organizations are entitled to full pension rights and benefits when their injuries are so severe that they have to be discharged.

That was made clear yesterday by Mr Morris, Under-Secretary of State for the Disabled, Department of Health and Social Security, in reply to a letter from Mr Lewis Carter, Labour MP for Eccles.

Mr Carter-Jones raised the question of compensation after the bombing of a public house near army barracks at Caterham, Surrey, last week, in which a Guardsman Paul Thomas, a married man, with a baby six weeks old, lost both arms and a leg. He was due to leave the Army this week after five years.

It was made clear yesterday that soldiers such as Mr Thomas receive a pension from the Department of Health as

well as two gratuities and a further pension from the Ministry of Defence. They are all tax free. There are also several other entitlements, which may add up to more than £25 a week for those who have serious and disabling injuries.

For a private with 50 per cent disablement the weekly pension from the Department of Health is £9.50. With 100 per cent disablement he will get £19 a week, plus an unemployment payment of £12.40 a week and up to £15.20 a week for being in need of constant attention.

On top of those payments he gets from the Ministry of Defence a gratuity of £357 after five years' service, and an additional lump sum ranging from £260 for a 10 per cent disability to £1,399 for a 100 per cent disability. The Ministry also pays a pension of between £349 and £877 a year.

For a soldier with completely disabling injuries, all those payments may add up to more than £60 a week, tax free.

Danger of 'granny' battering

By Our Medical Correspondent

Granny battering may be as much a social problem as baby battering, a geriatrician says in a letter to the *British Medical Journal* today. Dr G. R. Burston, consultant at Southmead Hospital, Bristol, says he has personal knowledge of cases in which elderly patients have been deliberately assaulted by relatives.

Assaults might account for some of the cases in which elderly individuals are said by their relatives to "fall down frequently, doctor".

The risk of battering is highest when the patient has some mental impairment, he suggests. Family doctors, casualty officers, nurses and health visitors should become as conscious of granny battering as they have become of assaults on babies.

Defeat for Miles and Hartston in chess game

From Harry Golombek

Chess Correspondent

Middlesbrough

Hartston and Miles lost with the white pieces against their European opponents in the Alexander Memorial chess tournament at Middlesbrough yesterday.

Miles soon had the inferior game against Timman, who sacrificed a rook for a bishop and won in 38 moves by forceful play.

Hartston went astray in the later middle game against Sax and found himself with a lost ending early in the day.

At times, it looked as though Keene would lose quickly to Kavalek, but the United States grandmaster got into time trouble and, having to make no fewer than 11 moves in two minutes, was forced to agree to a draw.

Two of the leaders, Bronstein and Hubner, had a quick draw in 12 moves.

Leading scores at the end of the fourth round were: Bronstein and Sax 3; Geller and Hubner 2; Chigorin, Smyslov, Stean and Timman, 2.

Results, round 4: Hartston 0, Sax 1; Bronstein 1, Hubner 1; Geller 1, Kavalek 1; Keene 1, Smyslov 1; Miles 0, Timman 1; Stean 1, Chigorin 1; Smyslov 1, Bronstein 1; Hubner 1, Geller 1; Kavalek 1, Keene 1; Stean 1, Miles 1; Timman 1, Sax 1.

Round 5: Sax 1, Hubner 1; Bronstein 1, Geller 1; Kavalek 1, Keene 1; Stean 1, Miles 1; Timman 1, Sax 1.

Round 6: Sax 1, Hubner 1; Bronstein 1, Geller 1; Kavalek 1, Keene 1; Stean 1, Miles 1; Timman 1, Sax 1.

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Round 12: Sax 1, Hubner 1; Bronstein 1, Geller 1; Kavalek 1, Keene 1; Stean 1, Miles 1; Timman 1, Sax 1.

Round 13: Sax 1, Hubner 1; Bronstein 1, Geller 1; Kavalek 1, Keene 1; Stean 1, Miles 1; Timman 1, Sax 1.

Round 14: Sax 1, Hubner 1; Bronstein 1, Geller 1; Kavalek 1, Keene 1; Stean 1, Miles 1; Timman 1, Sax 1.

Round 15: Sax 1, Hubner 1; Bronstein 1, Geller 1; Kavalek 1, Keene 1; Stean 1, Miles 1; Timman 1, Sax 1.

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Round 60: Sax 1, Hubner 1; Bronstein 1, Geller 1; Kavalek 1, Keene 1; Stean 1, Miles 1; Timman 1, Sax 1.

Government outlines local spending cuts

Continued from page 1

items such as parks, open spaces, refuse collection, general administration, and town and country planning.

Our Political Staff writes: The spending cuts have annoyed some ministers, it was disclosed last night. Education ministers are believed to be angry because the Department of Education and Science was not consulted on the contents of the Department of the Environment's circular.

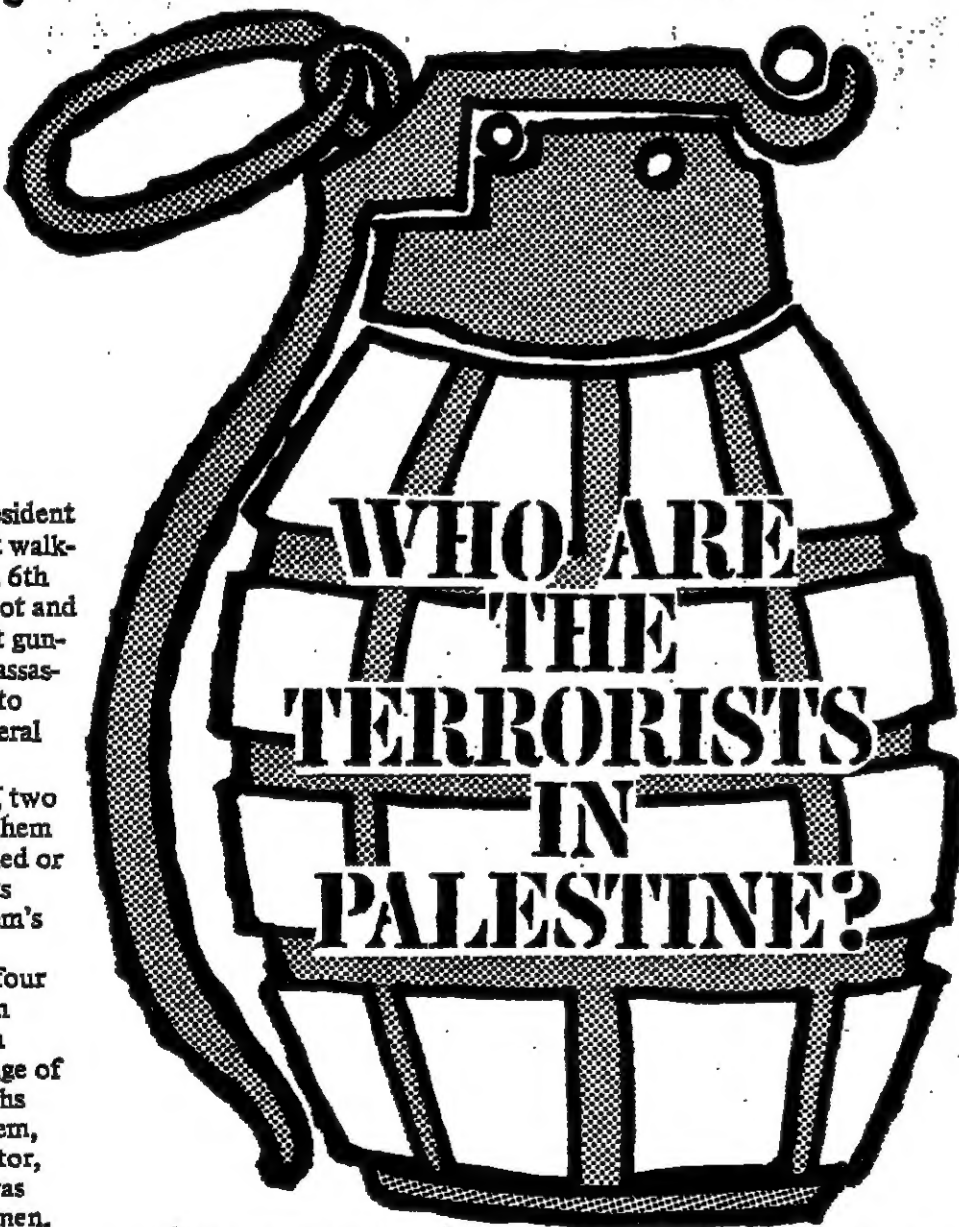
Education services are directly affected by the circular, by the stipulations about children aged four and five for example: ministers have argued that the stipulations virtually exclude that age group because children could not be admitted to schools without extra spending.

Mr Mulvey, Secretary of State for Education and Science, is said to be upset.

Feelings will be ventilated at next week's joint meeting of Cabinet ministers and the Labour Party National Executive Committee.

(Local Authority Expenditure in 1976-77: Forward Planning, DOE circular 58/75; Home Office circular 148/75; DES circular 10/75; DES circular 10/75; Welsh Office circular 142/75; Stationery Office, 16p). Leading article, page 15

Lord Moyne shot dead in Cairo....Count Folke Bernadotte assassinated in Jerusalem....Arab villages attacked and looted....the King David Hotel bombed....letter bombs received by British Cabinet Ministers....



As Lord Moyne, British Resident Minister in the Middle East walked from his Cairo home on 6th November 1944, he was shot and fatally wounded by Zionist gunmen. A few weeks ago his assassins' bodies were returned to Israel and given a state funeral with full military honours.

Two years later in 1946, two hundred people, many of them British personnel, were killed or wounded when the Zionists planted a bomb in Jerusalem's King David Hotel.

Two hundred and fifty-four Palestinian civilians died on 9th April 1948 when Irgun terrorists attacked the village of Deir Yassin, and five months later in Israeli-held Jerusalem, the United Nations' Mediator, Count Folke Bernadotte was assassinated by Israeli gunmen.

Zionist and Israeli acts of terrorism, excluding all operations by regular military units against military targets, range from assassination to letter bombs, and from placing bombs in cafes, hotels and buses to looting and hanging. The victims have included British and United Nations personnel, as well as thousands of Palestinian Arabs. Many of the men who planned or committed these crimes are today political and military leaders in Israel.

Menachem Beigin — leader of the Irgun, later became an Israeli Member of Parliament and is today the leader of the Opposition Likud Party.

Nathin Yellin Mor — leader of the Stern Gang, was also elected to the Israeli Parliament.

General Dayan, Premier Rabin, Abba Ebban and many other leading Israeli politicians served in the Zionist underground, which used sabotage, assassination and terror in its campaign against the British and the Palestinian Arabs.

In their determination to seize Palestine, the Zionist groups first directed their activities against the British. Three years after Lord Moyne's assassination, the Irgun Zvi Leumi blew up the Goldsmith's Officers' Club in Jerusalem on March 1st 1947, killing thirteen and wounding sixteen. British Judge Windham was seized as a hostage in January 1947 and earlier five British officers were seized from the Tel Aviv NAAFI in June 1946. Two British sergeants seized by the Irgun in June 1947 were hanged, and their bodies planted with booby-trap explosives.

Zionist terrorism was not confined to Palestine. In Rome a bomb exploded at the British Embassy during October 1946, while in London letters addressed to Cabinet Ministers were found to contain explosive devices — the first letter bombs ever used.

As the British prepared their evacuation from Palestine, so the terrorist operations by the Zion-

ists became increasingly directed against the Palestinian Arabs. Bombs exploded in Arab market places and cafes, and week after week the Arab fatalities increased.

The Haganah claimed responsibility for the death of twenty people in an explosion which wrecked the Semiramis Hotel; fourteen Palestinians died when Zionists blew up a house in Tiberias on April 19th 1948; more than sixty Palestinian deaths were reported following a Palmach attack on Balad al-Sheikh on December 30th 1947, when women and children died from gunfire as they sought refuge.

United Nations Mediator, Count Folke Bernadotte, who strove ceaselessly to establish peace in Palestine, was shot dead in the Israeli sector of Jerusalem on September 17th 1948 by members of the Stern Gang.

Tens of thousands of Palestinian families fled their homes. In *The Times* on 26th October 1973, General Sir Horatius

Murray, former Commander of the 1st Division in Palestine, related how the Zionists launched their offensive as British troops prepared to evacuate. "The Jews", said Sir Horatius, "seized this opportunity to launch a ruthless and sustained terrorist campaign against the Arabs".

Menachem Beigin, leader of the Irgun and today leader of the Likud Party in Israel's Parliament, has since written of the notorious massacre of Arab villagers at Deir Yassin: "The Massacre was not only justified, but there would not have been a State of Israel without the victory of Deir Yassin".

But for the Palestinians, condemned to a life of poverty and deprivation in refugee camps, the era of terror did not end. The Israelis continued to launch attacks, which persist even today. One raid, on Nabatieh refugee camp in Lebanon

ME NEWS

Preparatory school numbers drop but more pupils attend though some fees now £1,000

Devlin
ion Correspondent
in's preparatory schools
st holding their own
inflation. Membership
Incorporated Associa-
f Preparatory Schools
d from 464 in 1974 to
1 January this year,
because of schools
closing.

more schools have
since then and three in
areas are in danger of
closing.

despite an increase in
t about a fifth since
r, taking the biggest
g schools past £1,000 a
e numbers of pupils at

the schools are continuing to
increase slightly each year.
Details of a survey of 230 of
the recognized preparatory
schools published yesterday
showed that the number of
pupils rose from 38,400 in
January to 38,630 for next
term.

The number at all the prepa-
ratory schools may have
risen from 73,555 to about
74,000.
The main trend has been for
a shift among boys from board-
ing schools to day schools. The
survey showed that boy
boarders had dropped by 500
and day boys increased by
about 500.
Mr Mark Hanbury, the asso-

ciation's secretary, told a press
conference that that might be
a false economy on the part of
parents. Day fees were now
almost two thirds as much as
boarding fees. Parents of non-
boarders had to pay fares to
and from school, laundry,
meals and maintenance and
other charges as well.

Mr John Riggs, Headmaster
of Beechwood Park School,
Bedfordshire, opening the asso-
ciation's annual conference in
Oxford yesterday, said more
preparatory schools might
amalgamate, but it was surpris-
ing how few of them had had
to close compared with the
number of businesses that had
gone into liquidation last year.

Universities' leading role is defended

From David Walker, of
The Times Higher Education
Supplement
Lancaster

Universities should stay at
the top of the educational sys-
tem as a national priority, Sir
Roy Marshall, secretary-general
of the committee of vice-
Chancellors and Principals, told
an international conference of
educationalists at Lancaster
yesterday.

He said there was room for
new institutions such as com-
munity and liberal art colleges
as well as polytechnics, but
universities should not be
ashamed of their elitism if it
was based on intellectual
achievement.
"The experience of countries
like France, Germany or the
United States, which have a
rather more open system of
higher education than that of
Britain, show there is a vital
role for the prestige institutions
catering for those who are most
intellectually able."



Mr Roy said the Government
had underestimated the univer-
sities' capacity for change. In
the last 18 months they had
come to terms with immense
problems caused by lack of
money. "The biggest threat to
excellence is the decline in con-
fidence and loss of morale
among those working in univer-
sities. For this period of
economic difficulty has come
after a period of immense ex-
pansion during which high
expectations were created."

Race relations White Paper is criticized

By Peter Evans
Home Affairs Correspondent
A belated attempt by the
Department of the Environment
to answer unusually sharp criti-
cism of its attitude towards race
relations ran into more trouble
yesterday.

The controversy centres on a
White Paper published yester-
day as a response to acid com-
ments by the Select Committee
on Race Relations and Immigra-
tion in its last report.

In July the committee
described the absence of any
response to its 1971 housing
report, four years after its pub-
lication, as amounting to "a
rejection of the importance of
race relations by the Depart-
ment of the Environment and
successive ministers".
In the White Paper, which
amounts to an apology, the
Government recognizes that the
reply is overdue but says that
more than half of the 46 spec-
ific recommendations in the
report have been acted on.
A "note to editors" issued

by the Department of the En-
vironment says: "The Govern-
ment welcomes this opportunity
of formally acknowledging the
work of the select committee
and the contribution which its
report has made."

But the Runnymede Trust
said yesterday: "The Depart-
ment of the Environment's lan-
guid reaction to the select
committee's housing report
gives small reason for hoping
that positive guidance to local
authorities can be expected
from the department."
The trust particularly criti-
cizes the ambiguity of the
department's guidance to local
authorities on confidential
record-keeping about the hous-
ing of coloured people.
Such record keeping should
be encouraged in appropriate
areas, the White Paper says,
but records should not be kept
for their own sake and should
form part of local authorities'
wider arrangements.
Race Relations and Housing
(Cmd 6232, Stationery Office,
32p).

More immigrants jobless

By Our Home Affairs
Correspondent
Unemployment among
coloured workers is rising much
more quickly than among white,
according to Department of
Employment statistics.
The figures show that
between November, 1973, and
May this year, unemployment
of coloured workpeople in-
creased by 156 per cent, com-

pared with a rise of 65 per cent
in the white workforce.
Giving the figures in a
speech yesterday, Mr Fraser,
Under-Secretary of State for
Employment, said he had
recently invited representatives
of the TUC, CBI, and com-
munity relations organizations
to take part in joint discus-
sions about how equal employ-
ment opportunities are being
promoted.

3,000 to study success of handicapped in getting jobs

Education
Correspondent
National Children's
is to examine the
of handicapped school-
in getting jobs. The
study will cost £53,000
being financed by the
ment of Education and
t four hundred young
and their families will
viewed. The survey will
from a periodic study
bureau of the progress
children born in one

week in March, 1958, in
England, Scotland and Wales.
Young people who, while not
having received special educa-
tion, would have benefited from
it in the opinion of their
teachers will be included.
The study has been commis-
sioned by the Warnock commit-
tee, which has been asked by
the Government to study the
educational needs of handi-
capped children.
The results of the bureau's
survey will be completed in the
autumn of 1977

College to take local students only

Trent Polytechnic announced
yesterday that it is to accept
only local students for most of
its remaining 400 degree course
places because of a shortage of
private lodgings in Nottingham.
Mr Ronald Headley, the direc-
tor, blamed the 1974 Rent Act.
"Many landlords have just not
found it economic to let rooms,
and there is not the same
accommodation available", he
said.
The National Union of Stu-
dents said: "We regard the
decision as a very dangerous
development."

Shoppers 'are lingering off all shops'

Planning Reporter
ough ignorance many
g authorities have exten-
small shops by depriva-
tion of their customers.
rid Lock, planning aid
of the Town and
Planning Association,
a conference in Leices-
ter today.
satisfied with robbing
shopkeeper of his custo-
mering authorities have
obbed him of his pre-
is well", he continued.
usory purchase orders
imposed of thousands of
shops, none of which
n replaced. High Street
es had been replaced
topping malls occupied
the multiples.
had been a long-
g resistance to changes
of parts of houses into
though quite how that
ome a common planning
as a mystery. Squeezed
existence in one loca-
potential shopkeeper
consistently prevented
nerging elsewhere.
and rate burdens were
small shops now in
y that they bled the
rented housing sector
ears ago. There was
ason to assume that the
ould be the same; the
ply of private rented
nits would dry up
ly.

War urged on party infiltrators

From a Staff Reporter
A call for all-out war on
"infiltrators, political mar-
cukooes in the nest" de-
manded to cause maximum
embarrassment to the Gov-
ernment came from Mr Mason,
MP for Barnsley and Secretary
of State for Defence, when he
addressed engineering union
shop stewards at Barnsley last
night.
He said the Government's
counter-infiltration policy
would need the loyalty of all
members of the Labour Party
and the trade union movement.
Democracy was in danger if
infiltrators, although small in
number but active in speech and
resolution, got hold of the
reins. "Everywhere in the
union ranks and the Labour
Party rank and file must stiffen
and frustrate their anti-demo-
cratic activities at source."
During the next 12 months
everybody must show restraint
in demands living standards
for most people would fall. The
Government's policy was fair
because the greatest sacrifice
was being made by those most
able to make it.
Attitudes to work needed to
change. More machines to
muscle were needed and indus-
trial investment was urgently
required. "We do not have to
necessarily work much harder,
but instead more intelligently."

Ending of milk rationing less price is increased

Agricultural
Correspondent
ationing is inevitable
coming winter if the
ent does not allow a
s. Mr Robin Gullup,
of the milk and
oduce committee of
mal Farmers' Union,
meeting of dairy
n Exeter last night.
d-November milk pro-
ll make decisions that
mine how much or
milk they will pro-
1976. They will then
betters either to the
a butcher. The politi-
y think they have
their side, I warn
they have not."
hard Trevelyan, chair-
the Milk Marketing
id militancy was not
way out of farmers'

difficulties. "There are grow-
ing signs that the public are
becoming more aware of our
problems, and extreme action
now could destroy that public
sympathy."
Mr David Crouch, MP for
Canterbury, told Mr Peart,
Minister of Agriculture, Fish-
eries and Food in a letter yester-
day. "You have not suc-
ceeded in keeping pace with
the evil of inflation, which is
now in danger of overwhelm-
ing some of our major areas of
turning and producing real
damages for our country's
economy."
Call for action: Lancashire
farmers have called for nation-
al action if this month's meet-
ing of the EEC Council of
Ministers in Brussels does not
stop the decline in food
production by raising returns
to producers.

It, many vegetables and likely to cost more

usually gloomy fore-
sawed by the Depart-
ments and Consumer
yesterday. It pre-
minent increases on
cucumbers, celery,
onions, beans, beef,
ome-dilled lamb.
ill soon cost more
scale increases of 4p
n all grades. Trade
id prices had risen
ports had dwindled
nothing and the
ther in some areas
ed demand.
everything is going
will be cuts of up to
d on New Zealand
me shops. That will
uch as chaps and
much cheaper than
s-produced counter-
sweet corn, most of
own on the Isle of
in prime condition
ropped in the past
tween 8p and 12p a
gh beans have in-
er the peak of an-
ry season, home-
urgettes are still
out 16p a pound.
the lack of rain to
push up prices
gerables and salads,
worth buying at 6p
ownd. Potatoes have
y, to a minimum of
ind. Most packed

Food prices Hugh Clayton

potatoes in supermarkets cost
24p for a 3lb bag.
Dessert apples have become
much cheaper and there are
some good home-grown Wor-
cesters from 12p a pound for
the smallest. Cooking apples
remain expensive but yellow
melons from Spain and some
oranges have dropped slightly.
The late crop of home-grown
strawberries turns up here and
there at 80p to £1 a pound for
those of good quality.
The increases on meat will be
small in most cases, especially
on pork, where they are
unlikely to exceed 4p a pound.
Some fish, including cod and
haddock, has become cheaper,
although prices of flatfish are
fairly steady. Some fish-
mongers have pieces of Cana-
dian salmon at 90p to £1.20 a
pound, and Scottish salmon at
about £1.20 a pound for whole
fish or as much as 50p more
for portions.
A few of those with game
licences have grouse at about
£1.75 each; those described as
"casseroled grouse" can be
found for as little as £1.



Thorn are proud to have engineered some of the biggest power cuts in the country.

It wasn't easy.
It meant taking a long, hard look at what
was worrying lighting customers in the UK.
In some areas we didn't have to look far.
Inflation, increased electricity charges,
lack of liquidity—these were universal problems.
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specialised. Installation costs had gone up,
maintenance costs too, and running expenses
had kept pace with soaring electricity bills.
Thorn thought hard. And then acted quickly
and decisively.
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at lower costs.
Yes, more for less, even in 1975!

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experience and dedication of our technical staff
and the largest sales force in the UK. Men equip-
ped to assess your lighting needs swiftly and
accurately; men specially trained to save you
money.
Secondly, by intensive research and
development. An investment in invention result-
ing in ever-improving lamps and fittings.
Which all helps Thorn to crash through the
cost barrier.
That's why switching to Thorn can switch
you on to both superb quality and saving.
That's why many of our products are world,
as well as UK leaders

So whatever your problem a Thorn man
can show you how to solve it at minimum cost.
And maximum efficiency. Save by Science
with Thorn.

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HOME NEWS

Doctors are told they must give more aid to offshore oil rig men

By John Roper
Medical Reporter

The medical profession must do more to safeguard the health of men working on offshore oil rigs, especially divers, a working party of doctors says. The doctors, who have spent a year preparing their report, believe the injury rate on oil rigs is likely to rise to 10 times that in coalmining. But they think the main medical needs of the men are being met.

The report, initiated by the Scottish Council of the British Medical Association, estimates that by the mid-1980s between five thousand and six thousand men will be working on the rigs. Caring for their health presents new difficulties not because of illness, for they are usually young and fit, but because of the distances. "Offshore" is a misleading term when the nearest rigs are a hundred miles from the coast.

Divers in particular, who work in unnatural conditions and whose medical care needs are outside the knowledge of all but a few doctors, need an exceptional degree of specialist support.

The report expresses the hope that a surgical team will be trained in Aberdeen to fly out to treat an injured diver in the decompression chamber. The doctors involved in that would also need to be able to deal with the difficulties of being summoned.

Noting the dangers of work

on the rigs, the report suggests that there are now more "green" crews employed. With less experience among the workforce the incidence of injury is likely to rise. Although precise figures are difficult to obtain and are subject to assumptions about the relatively small labour force, the working party concludes that between two and three fatalities a year in a thousand are probable. That is double the rate for men in coalmining and 10 times that in the construction industry, and 50 times that in factories.

The report records that in 1968 when there was one offshore rig there were three fatal accidents and 21 serious injuries among 1,210 men. In 1974, with 4,030 men employed on 23 rigs there were 12 deaths and 25 serious injuries. Since January this year there have been eight deaths and 12 serious accidents.

The doctors think that facilities provided by the oil companies for health care on the rigs are good.

Almost every family doctor witness reported on the large and unmeasured incidence of psychiatric illness, including acute and chronic alcoholism and psychotic illness, among the oil men.

Report of Working Party on the Medical Implications of Oil Rig Industry, Scottish Council of the British Medical Association, Edinburgh, EH3 7QP, E11.

Blast inquiry 'shows management omissions'

From Ronald Kershaw
Barnsley

Serious breaches of the Mines and Quarries Act appear to have occurred before the Houghton Main colliery explosion on June 12, in which five men died, Mr Arthur Scargill, Yorkshire miners' president, said at the last day of the public inquiry at Barnsley yesterday.

Mr Scargill said there was a failure by the electrical department at the colliery and its senior engineers to report on serious and potentially dangerous defects. There was an even greater tendency by the mechanical department to fail to report correctly and to understand the defects that were being reported by the mine mechanics.

There was a general failing to ensure that every report was read and that items were referred to the manager's attention.

There was a failure by the surveyor's department to keep plans up to date, including rescue plans. There were further failures to check the accuracy of certain facts that were entered upon plans without having been checked by the surveying department.

Mr Scargill said: "It must be emphasized that the failure to supervise the work of these various departments and to ensure that they acted as an effective and efficient body must reflect itself upon the manager deputy manager and under managers."

Links with Europe's communist unions will be maintained

From Paul Routledge

The TUC decided yesterday to continue its policy of making closer relationships with trade unions in the Soviet Union and East Europe, despite strong criticism of the Communist Party's activities in Portugal.

On a show of hands, delegates approved a resolution from the construction section of the Amalgamated Union of Engineering Technicians calling for a British initiative to bring the late national Confederation of Free Trade Unions and the Prague-based World Federation of Trade Unions closer together. The vote has been taken, greetings telegrams from the Soviet Central Council of Trade Unions and the East German unions were read out.

The growing relationship between the TUC and its communist counterparts will be underlined by an official visit by members of the TUC international committee to Yugoslavia and Bulgaria in November, the second all-European trade union conference next year, which may discuss worker participation in management.

Mr Len Murray, the TUC's general secretary, made clear that the general council accepted the continued engineering workers' motion, with the reservation that the British unions at present preferred to work through contacts with individual unions and national trade union centres, rather than through international bodies. The TUC would take part in the 1976 European conference with the intention of discussing practical issues that could be followed up.

Mr Jack Jones, chairman of the TUC, announced a conference and preparations for next year's all-European conference were already in hand. "We shall look for a further progress towards European union," he said. "We must protect Westminster from its own death wish," he said.

Mr Eric Hammond, speaking for the electricians, insisted that the real threat to democracy in Portugal came from the communists in the Armed Forces and the trade union movement, who were taking over the country against the expressed electoral wishes of the people. The motion, which was clearly self-contradictory, was not the least adopted on a show of hands.

The generally left-wing nature of the TUC's international policy was buttressed by the conference's acceptance of a motion by Mr Clive Jenkins's union to demand another referendum or a general election before Britain took any irreversible steps towards European union.

"We must protect Westminster from its own death wish," he said.

NUR ready to oppose any proposals for rail cuts

From Our Parliamentary Staff

Any attempt to cut the railways or to impose compulsory redundancies would be met by the use of the National Union of Railwaysmen's full political and industrial strength, declared Mr Dave Bowman, president of the NUR, in a Parliamentary Staff interview.

He was moving a composite motion expressing concern at investment and pricing policies. The motion called for a national transport board to control rail, roads, shipping, road haulage, road passenger services, parcels and warehousing, hotels, tourism and air transport. There would be long-term industrial plans for the nationalised industries, and a return to public ownership of nationalised industries sold off by Conservative governments as well as an immediate resumption of the Channel tunnel project. Finally, the motion called for an early statement of the government policy for transport.

Mr Bowman said the NUR had talks with ministers and from those it was clear that there was an overall government transport policy. If they were to tackle the

present chaotic position there was a desperate need to look at transport priorities and make decisions.

If the Government was serious about the manifesto statement of the need to move as much traffic as possible from road to rail, legislation must be enacted. There was a perfectly good railway system of 11,000 route miles, which should be used to capacity; failure to do so represented a criminal waste of a first-class national resource.

"The British Railways Board and the Government are threatening unions with more cuts and closures. We have had our Beaching and there will be no more."

There would be no compulsory redundancy. If anyone attempted that course "we will use our full political and industrial strength, if necessary, to maintain the NUR's position."

Mr Jack Jones, general secretary of Transport and General Workers' Union, was interrupted on several occasions as he sought to set out the general council's reservations of the EEC over the long composite motion. The motion was rejected.

Keeping a careful eye on EEC developments

The congress carried a motion accepting the referendum decision that Britain should stay in the European Economic Community.

The motion said the responsibility of representation of the British trade union movement required a continuing review of developments within the Community and the general council and the determination of policies to ensure greater democratic control over the European Community by the European Parliament, greater direct control and supervision of the Council of Ministers and the European Parliament, reforms of the economic, social, industrial and agricultural policies in the interests of the workers of the Community, and the extension of greater political participation by workers in industrial democracy.

An amendment was accepted saying that no irrevocable steps should be taken towards European union without the known wholehearted consent of the British people.

Mr Leslie Buck, general secretary, National Union of Sheet Metal Workers, Copper-Smiths, and Heating and Domestic Engineers, proposed the motion, which was essentially to determine the approach of the congress to the EEC. It was made clear at the 1974 congress that the will and voice of the British people would be accepted. The motion ensured that the congress would set its sights on the main issues that had to be resolved and on the role the movement intended to play.

Mr Clive Jenkins, general secretary, Association of Scientific, Technical and Managerial Staffs, said the motion was a call by the press and politicians to integrate more closely into a European monetary union. The British trade union movement risked being submerged. If there was to be an attempt by anyone to stifle Britain's par-

liamentary institutions or subordinate them entirely to a European super state the British people must be consulted, and that meant an election or a referendum. Mr Jack Jones, general secretary, Transport and General Workers' Union, in a separate reference to the European Community said: "Our intention is constructive participation, but our representatives in the Economic and Social Committee of the EEC will not tolerate inaction, bureaucratic complacency and red tape frustration."

Delegates loudly applauded a strong plea by Mr Jones, that the International Labour Organisation, at present split for political rather than industrial reasons, must not be allowed to die.

Mr Jones, chairman of the TUC international committee, presenting the international section of the general council's report to the congress, said the TUC was split because representatives of the Palestine Liberation Organisation were to be admitted as observers to some of its meetings, including the annual conference.

When the issue was first raised the general council did not support the idea. It did not think that such recognition for the PLO was an opportune moment, because the PLO was not a country with defined boundaries and an established trade union movement. But there was a majority in favour, and the PLO had been admitted, not as a member but as an observer.

Because of that decision the TUC international committee, presenting the international section of the general council's report to the congress, said the TUC was split because representatives of the Palestine Liberation Organisation were to be admitted as observers to some of its meetings, including the annual conference.

Bill of Rights in Ulster wins support

A Bill of Rights for Northern Ireland to ban all forms of discrimination on religious grounds and to guarantee free democratic elections was called for in a resolution moved by the Associated Society of Locomotive Engineers and Firemen and agreed to.

Mr Ray Buckton, ASLEF general secretary, said the proposal would clear away some of the difficulties causing the tragedy in Northern Ireland. He suggested a summit meeting of the trade union movements of Britain and Ireland. They might perhaps assist the politicians to find the answers.

Mr Andrew Sage of Belfast, National Union of Sheet Metal Workers, Copper-Smiths, and Heating and Domestic Engineers, said that a similar resolution passed in 1972 had not been implemented. "We in the Irish trade union movement condemn utterly and without reservation the senseless bombing and killing of British workers and as we condemn the mindless assassinations of working people, Protestant or Catholic, in Northern Ireland."

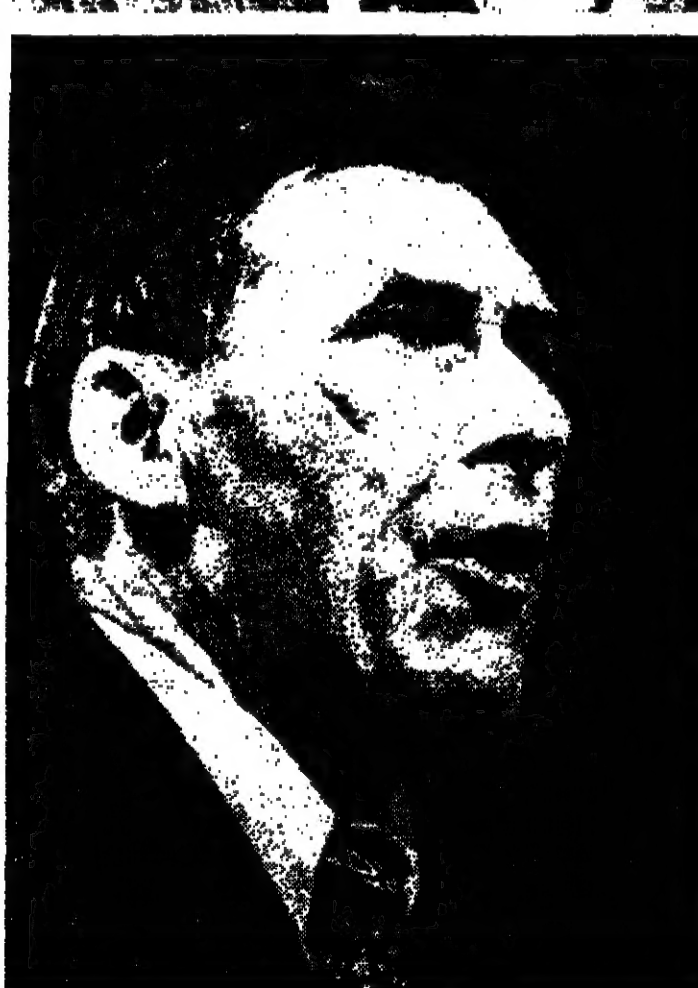
Congress backs anti-fascists in Spain

A motion calling for support for those fighting to end fascism in Spain, aimed to include a reference to fighting militarism and to Portugal, was carried.

Mr Michael McGahey, National Union of Mineworkers, moving the motion, said the congress was the first time since the 1950s that the right and it was from the right that the danger came. Mr Eric Hammond, general secretary, Electrical, Electronic, Telecommunications and Plumbing Union, which had tabled the amendment, said it was the continuing infiltration with left-wing generals that made the communists jointly responsible for the military for the deteriorating situation in Portugal.

Delegates found themselves unable to go to work by bus yesterday because of a strike by Blackpool and Rhodessa and the occupation of Namibia by South Africa.

A Civil and Public Services Association resolution was carried recognizing that the British trade



Mr W. L. Kendall (top) of the Civil and Public Services Association, and Mr Michael McGahey (bottom), the Scottish miners' leader, were among yesterday's speakers. Mr Tom Jenkins, of the Union of Post Office Workers, was an appreciative listener.

Nationalization of North Sea oil sou

The conference called for nationalization of all Britain's oil exploration enterprises. The suggestion was made by the construction section of the Amalgamated Union of Engineering Workers and also demanded that multinational companies should be made to ensure that oil rigs are built by mainly British people and companies.

Mr E. Snedden, moving the motion, said some companies were receiving a 70 per cent return on capital as a result of investment in the North Sea. He maintained that the negotiations between the Government and the companies had been like a fight between an amateur lightweight and Muhammad Ali, with the Government being completely mesmerized. Britain could not have a successful energy policy without having full control of North Sea oil.

Mr Frank Chapple, general secretary of the Electrical, Electronic, Telecommunications and Plumbing Union, speaking for the general council, said the movement had long been trying to achieve the aims set out in the motion and would therefore not oppose it. However, the greater economic priority was to extract the oil in the shortest possible time. The Government would receive revenue of between £3,000m and £4,000m from oil up to 1980. There was a danger that if the Government tried to increase taxation the companies would pull out.

The congress reaffirmed its opposition to apartheid and pledged support for policies designed to produce majority rule in South Africa and Rhodesia and end the occupation of Namibia by South Africa.

A Civil and Public Services Association resolution was carried recognizing that the British trade

union movement could assist those objectives by working closely with the South African Congress of Trade Unions and pressing the British Government to take all possible steps to withdraw investment by British companies in South Africa.

Mr W. L. Kendall, secretary of the CPUSA, said that recent events might have given the impression that far-reaching changes were taking place in South Africa. But it was not that but rather a manoeuvring by Mr Vorster and the South African government to consolidate apartheid, not to eliminate it.

In spite of the Labour Government's pledged opposition to apartheid, British investment in South Africa continued to flourish. There should be no new investment in South Africa or loans for companies operating there.

A motion calling for a TUC initiative to bring more closely together the two world trade union bodies, the World Federation of Trade Unions and the International Confederation of Free Trade Unions, was carried.

Mr F. Miller, Amalgamated Union of Engineering Workers, construction section, said that he was speaking in place of Mr Marsden, the section's general secretary, who died last week and that the motion represented ideas for which Mr Marsden had stood and fought all his working life.

World trade union unity was more important than ever. The differences between the two bodies had become somewhat irrelevant in the light of events and they should not be allowed to be the barrier to world trade union unity.

Govern pressed save job textiles

Textile workers

demanded government help the hard-pressed footwear industry, were made for imp

in item of printer rejected by and other military textile, clothing and dustries was deman

The congress called for an appeal from the 10 countries to the 20 per cent level reported in 1974. It

absence of any credible alternative Government and in the industry to man

employment and 1 imported textiles at im

Such policies control imports of ing, knitwear and from low-cost coun

apply quota new areas of unfair con

controls should nature as to bring these industries, as

burden-sharing of throughout the o countries of the motion continued.

Mr David Lambert of Hensley and Kn moving the motion clothing and four

the price of the Uni was living workers 8,000 a month. In

months of this year 13 had lost his or proportional rate faster than in any

scope towards European the rate of 20 per Government contain

import controls a cation, but in m

most of the world's such as Hongkong South Korea.

Mr Fred Sague, Amalgamated Uni Workers, said the

used in hospitals should be sent finished in the U

A purchasing age set up in buy in to be retained as

Power to over emp houses ur

The TUC is Government in giv

les power. It is housing that rema

six months. In general council

establish a public corporation to en

demand and the money.

That was the de

congress had passed motion reaffirming

a decent home is for everyone.

The composite m

Air operators oppose airport closures

By Arthur Reed

Criticism of moves by the British Airports Authority to close Heathrow and Gatwick airports to light aircraft was voiced yesterday by Mr Eric Thurston, chairman of the Air Taxi Operators Association.

Speaking at the opening of the business and light aviation show at Cranfield, Bedfordshire, he said that a recent airports authority consultation document suggested that Heathrow would be closed to light aircraft from 1980 and Gatwick from 1985.

"Does the BAA not realize that interline passengers, usually first-class with British Airways, will be using Amsterdam, Brussels or Paris in modern, 250 mph air taxis, from where they will fly with foreign airlines to the United States, Africa or the Far East, rather than suffer inconvenience and expense routing through Heathrow?"

Guard in Tube accident was drunk, coroner says

A London Transport train

guard died four days after an accident in which he was leaning out of a train as it left Chancery Lane Underground station, the City Coroner was told yesterday.

An alcohol level of 285 mg in 100 ml of blood was found in the body of Mr Thomas Stowell, aged 28, of Nevill Road, Earl's Court, who died on May 4. Dr David Paul, the coroner, said: "This man was obviously completely incapable through drink."

A verdict of accidental death was recorded. The jury was told that just before the accident Mr Stowell had opened the train doors on the wrong side.

Professor Keith Simpson, the pathologist, said the blood alcohol level was equivalent to eight pints of beer. Mr Stowell died from severe laceration of the brain and a crushed skull.

State backing for £4.25m housing scheme

By Our Social Services Correspondent

The Government has approved a £4.25m housing project which would provide subsidized accommodation for 520 essential workers in London. It is believed to be the first scheme to convert an existing building into accommodation for single young people, including nurses, teachers, and London Transport staff.

Young people at the start of their careers would be able to rent self-contained bedsitters for £11.85 a week, which is below market rents.

The project would help to ease the shortage of reasonably priced accommodation in London for young people, which has made it difficult to recruit and retain staff for essential services.

It is to be carried out by the Family Housing Association, which is negotiating to buy an hotel in Islington to convert into furnished rooms.

Mr Michael Weeks, director of the association, said yesterday: "We are not talking about dossers or down-and-outs. We have in mind nurses, trainee accountants, teachers, postmen, London Transport employees and other people who need to live in London but simply cannot afford market rents."

New trial for picket ordered

A new trial was ordered yesterday for an unofficial strike picket accused of assaulting a policeman. After four and a half hours' deliberations a jury at Newcastle upon Tyne Crown Court said there was no chance of their reaching a verdict and Judge Smith, QC, ordered a new trial to start on Monday.

Robert Henderson, aged 23, a scaffolder of South Shields, one of ten men arrested after picketing a Newcastle building site in January, was given bail. He denies the allegation of assault.

COUNTRY LIFE

COUNTRY LIFE

AUTUMN GARDENS

Autumn Gardens Number

Garden Skyscapes

Tony Venison discusses the benefits of gardeners including the sky in their garden layout.

Plants of Powerful Structure

Christopher Lloyd considers some plants that give a feeling of purpose and concentration to the garden scene.

Self Help in the Fruit Garden

D. Macer Wright suggests some varieties of fruit trees and bushes for the amateur gardener that need little attention.

Treasures for the Connoisseur

Anthony Huxley describes the diverse collection of plants in the pocket-size garden of the Hatch, Surrey.

Ground Cover Reconsidered

Nancy Mary Goodall considers the greater use of ground-cover plants as an aid to economising on labour.

On sale now, 35 pence

Israel and Egypt sign their accord in short, silent ceremony

From Our Correspondent

General, Sept 4.
The agreement between Israel and Egypt was signed today in the Palais des Nations, without the expected presence of Soviet and American representatives. The ceremony, devoid of rhetoric, lasted less than 10 minutes. The few words spoken by the chairman, Lieutenant-General Ennio Silavau, the commander of the United Nations emergency force in the Middle East, were confined strictly to procedure.

The signatories themselves said nothing and exchanged neither looks, smiles nor handshakes. The only person they spoke to on entering and leaving by doors at opposite ends of the hall was General Silavau.

He had the four Egyptian representatives at a separate table on his right and the three Israelis at another separate table on his left.

The agreement, its annex and maps were in large sky-blue hard covers. The two sides signed, the copies were exchanged by a United Nations official, and the signatures repeated.

It was confirmed today that Moscow, unenthusiastic about the step-by-step negotiations of the Kissinger shuttle and believed to be irritated at the prospect of 200 Americans with advanced electronic surveillance equipment in Sinai, was not sending a representative to the signing.

More surprising was the sub-sequent American decision that Mr. Alfred Atherton, Assistant Secretary of State for Near Eastern Affairs, who was already in Geneva, would not attend either.

The aim, it is believed, was to avoid the signing looking politically as the United States and the Soviet Union are co-chairmen of the Geneva peace conference. But the degree of improvisation involved hardly seemed compat-

ible with the normal super-power process of keeping each other fully informed on delicate issues.

The Soviet hard line also underlined the two countries' differing roles in the Middle East, in which the United States, through the agreement, has assumed new responsibilities.

The next step for the Egyptians and Israelis will be the military talks, to begin early next week to settle details on the implementation of the accord.

Paul Martin writes from Beirut: President Sadat attacked the Arab critics tonight and accused the Soviet Union of "flagrant provocation" over its boycott of the signing of the Sinai accord.

Mr. Sadat accused the Russians of feeding Syria, whose opposition to the Sinai pact poses a number of problems, and the Palestinians, with "a lot of lies" about the accord.

"The Soviet Union is free to do what it wants," he said. "But to give false information to our brothers with the object of blowing up the Arab position, this we will not accept."

Denying that he had concluded anything that amounted to a separate peace with Israel, he said violent statements against the accord would add to the "mountains of waste paper" accumulated on the Middle East struggle.

He said it had pained him that the ruling party in Syria had taken a hostile stand. Although he has apparently received the support of Saudi Arabia, his principal political and financial backer in the Arab world, and of other Arab states, he is anxious that the unity front of the October, 1973, war should be preserved.

He accused those who had shouted slogans against the agreement of responding spontaneously to "negative attitudes" which had taken root in the Arab world.

Good start in briefing Congress on Sinai

From Fred Emery

Washington, Sept 4

President Ford and Dr. Kissinger, the Secretary of State, today made a good start in marshalling congressional support for the new Sinai agreement and an American role in monitoring it.

Mr. Carl Albert, the House Speaker, came away from a breakfast at the White House predicting full approval by the House. "It's a calculated risk but it is worth taking," he said, referring to the proposal to have up to 200 American civilians at early warning stations in the Sinai passes.

Dr. Kissinger asked the leaders to try securing a vote in about two and a half weeks.

There was also little complaint over the large amount of aid the Administration has disclosed to be asking of Congress for both Israel and Egypt. Sums of up to \$2,300m (£1,095m) for Israel and up to \$800m for Egypt, both for this year alone, were attributed to Dr. Kissinger by Senator Robert Byrd, the Democrats' deputy leader.

President Ford was evidently satisfied that the congressional drive could proceed without him, for he made no attempt to interrupt further the schedule of his political campaign and left for the west coast. He is to appear in Washington, Oregon and California over the next few days.

Dr. Kissinger, who returned late last night, was up early today for the White House meeting. He faces more testing questions at the first session this afternoon of the Senate foreign relations committee.

It is meeting in closed session because, although there are avowedly no "secret agreements" with either Egypt or Israel, a good many undertakings relating to the agreement



President Ford and Dr. Kissinger, the Secretary of State, explain the Israel-Egyptian interim agreement, using a relief map of Sinai, to Senator Mike Mansfield (left), the Senate Democratic leader, and Mr. Carl Albert, the Speaker of the House of Representatives, at the White House.

are not to be published. Some of them apparently will not even be converted to Congress and this is certain to cause some trouble.

These relate not only to any formal undertaking by the United States but, more, to its said, to assurances either written or verbal which the United States conveyed as mediator, particularly from Egypt to Israel.

Senator Henry Jackson, the Democratic contender, is suspicious, for one. He said that he particularly wanted to hear what written assurances Egypt had given to Dr. Kissinger to

reinforce those the Secretary of State had in turn given to Israel.

Obviously any commitment of Americans, or of any potential American action is within the purview of Congress. But reporters travelling with Dr. Kissinger on his homeward flight said that he was reluctant to pass on all the letters from President Ford to either leader. Equally there is little inclination to share with Congress notes made about oral undertakings.

Our Stockholm Correspondent writes: Senator Hubert Humphrey said today that he

wanted to ask Dr. Kissinger whether the United States had undertaken any unwritten commitments to achieve a Middle East agreement.

The Democratic Senator told reporters here that he would carefully scrutinize the "fine print" in the accord. "And I want also to question the Secretary of State on whether other agreements might have been made that are not written."

He said that the stationing of American civilians in Sinai "is a risk that we may have to take. The greater risk is the threat of another war."

Police fear violence ANC executive me

From Our Correspondent

Salisbury, Sept 4

The police will decide tomorrow whether to allow Sunday's executive meeting of the African National Congress (ANC) to go ahead.

Delegates are due to confer at the ANC offices in Highfield Township, Salisbury, but there are fears that serious friction within African nationalist groups could lead to violence. On June 1 a total of 11 blacks were shot dead by white police after rioting broke out between the Zulu and Zulu nationalist factions.

Sunday's meeting was announced earlier this week by Mr. Samuel Murodwa, the ANC chairman, after a demand by Mr. Joshua Nkomo, an executive member. But Dr. Elliot Gabelah, the acting president during the absence in Europe of Bishop Abel Muzorewa, says he will ignore Sunday's meeting and is planning a meeting for September 21 instead. By then Bishop Murodwa will have returned from abroad.

It is generally accepted that Mr. Nkomo wants the meeting on Sunday because the executive might vote to call an immediate congress which could lead to Mr. Nkomo being elected president of the ANC. He is believed to have five out of eight national provincial delegations lined up behind him through his Zulu faction within the ANC. Zulu factions oppose his leadership ambitions.

This week Mr. Nkomo made his first serious challenge for the ANC leadership and caused a dramatic split in the organization by denouncing his executive colleague, the Rev Ndabingi Sibhile, and criticizing the formation in Lusaka of the Zimbabwe Liberation Council.

called the external ANC.

Mr. Smith, the 1st, told Parliament that the lack of an ANC was evident in the absence of an agreement when it so at the abortive conference.

"When we see this organization in the 'Falls' did not add that it was that the British still believed the A the majority of blacks.

Ronn: Bishop M today there was a split between moderates and in the future, on a tour of Europe, conference that th over the Zimbabwe Council—Reuter.

Our Cape Town C writes: Mr Vorster reiterated his c ur to allow the S police to become Rhodesia's interna

Addressing the civil congress of in East Africa appeared ing to comments I recently that the v South African damaged the pro Rhodesian settle

Mr Vorster said been sent to Rh order the settle terrorists on their Africa. Now that it was no longer ne purpose, they had drawn.

Namibia conference m compromise over law

From Nicholas Ashford

Windhoek, Sept 4

The constitutional conference on the future of Namibia (South-West Africa), deadlocked since Tuesday, has reached a compromise over the admission of Mr. Stuart Schwartz, an American lawyer.

He will be allowed into the building where the talks are taking place but not into the conference chamber until his "background, qualifications and integrity" have been checked and approved by the delegates.

Mr. Schwartz, who had been retained by Chief Clements Kapunga of the Herero tribe, must also act as adviser to the full assembly and not just one of the ethnic groups taking part. The same applies to any other independent adviser who may be brought in.

The full conference, which met for two hours this afternoon, its longest sitting yet, also approved the credentials of all 136 delegates taking part. It decided that the chairmanship of the conference should

be held on a d basis in group order.

South African a maintaining a wai over the repa African Ovambo have penetrated Angola.

Nor have new broadcasting stat reference to these cause to do so was traverse the Defen prohibits all refer tate matters as authorized.

However, abse there are two reason African troops crossed into Angol protect the huge power project on river which divid countries on the A line, or to seek a units of the South-V People's Organizatio The Council rise one of the largest d Africa involving of about £750m, ma ing from South

Deep strike against Lebanon

Tel Aviv, Sept 4.—Israel naval and land forces struck at Palestinian guerrillas overnight in one of the deepest penetrations into Lebanon.

The raid on targets near Sidon, 40 miles south of Beirut, and, according to Tel Aviv, it involved a landing by commandos from rubber dinghies.

An army spokesman confirmed that soldiers entered Lebanon and clashed with two Arab guerrilla groups near Beirut: A new wave of kidnappings swept northern Lebanon today.

The latest troubles were touched off in Tripoli when a young man from the mainly Christian area of Bechiri was kidnapped.

As soon as they heard about their townsman's fate, the inhabitants of Bechiri kidnapped 16 people travelling through their neighbourhood from the mainly Muslim stronghold of Tripoli.—Reuter.

Syria stops short of barring future talks

In spite of its public rejection of the Egypt-Israel agreement, Syria has stopped short of barring the door to future American attempts to secure an Israel withdrawal on the Golan Heights. A promise of such steps was made by Dr. Henry Kissinger when he held talks with President Assad in Damascus yesterday on the last stop of his Middle East mission.

The Syrian condemnation of the Sinai accord came after a joint meeting of the pan-Arab and national commands of the country's Baath Party. The statement set out the reasons for Syria's rejection of the agreement but was expressed in terms that would allow for future compromise.

The rival Baathists in Iraq lost no time in making political capital out of the situation. A statement issued in Baghdad called for a joint Syria-Iraq command for a northern front against Israel, but it declared that "he who offers his blood

has a right to define where his blood should be spilled and for what purpose."

Clearly, the Syrians are upset at the lengths to which President Sadat has gone to secure the Israel withdrawal in Sinai. The principal reason for their displeasure is that the accord has ignored other interested Arab parties, particularly themselves.

The joint party commands said that the agreement accepted by President Sadat had effectively "frozen" military activity on the Egyptian front. This is of the greatest concern to the Syrians, who feel that it would rob them of their only alternative—a recourse to military action—in the event of Israel refusing to make further concessions on the Golan Heights.

President Assad has lessened the power of the militant party ideology; but his power base is a limited one.

S Africa seeks fair hearing in US

From Our Own Correspondent

Washington, Sept 4

A complaint that South Africa was not being given due credit both for its initiatives towards its black African neighbours and for the purported efforts to lessen discrimination between its own races has been voiced here by Mr. Roelof Bona, the new Ambassador to the United States.

In an attempt to break the ice Mr. Bona invited reporters, one of them a black, to his embassy residence. In robust statements, he complained that what he called the credit to "us" was not forthcoming from the American government, the American press, indeed the West in general.

Mr. Bona termed such official steps as the ending of segregation at officially controlled eating places, and the racially mixed rugby team that played against the French, "tremendous progress".

He went on: "I believe if black Americans could be told exactly what we're doing... I believe they could support us."

In informal remarks Mr. Bona explained that, of course, this did not mean that his Government was ending apartheid or heading for one man one vote, but that certain elements among the country's blacks did not disavow the idea of separate development.

He emphasized how sincere Mr. Vorster, the South African Prime Minister, was in attempting to "come to peace" with black Africa. The alternative was too hideous to contemplate, he said, and this being so he could see no reason why the West should continue its arms boycott.

Mr. Bona said his Government believed that African states were increasingly coming to accept South Africa's historic right to exist as a country.

But he adopted a typically defiant note. South Africa would continue with its policies, he said, "because we believe that the United Nations 'should keep its nose out' of South-West Africa; and he repeated his Government's announcement that it was now "seriously considering" withdrawing from the United Nations.

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Girl tells of two Kenya trips in year

From Our Correspondent

Nairobi, Sept 4

One of two London girls charged with conspiring to smuggle foreign currency out of Kenya, Teresa Ann Laws, aged 14, said in a statement read in court in Nairobi today that she had had a previous holiday in Kenya within the past year. Both holidays had been arranged and paid for by a Mrs. Sushila Patel of the Mace Supermarket in Woolwich where she had done part-time work.

Mrs. Patel is the wife of Mr. M. M. Patel who, the statement alleged, had given her the articles in which more than £120,000 worth of foreign currency was found when she and Lynn Francis, aged 16, were searched at Nairobi airport.

Teresa's statement added: "I did not know there was anything odd in going for a holiday trip in one year at the expense of £1,000. One of the arrangements which M. M. Patel and his wife or brother made regarding the money found in our possession."

She had been lonely on her first trip and had asked her friend Lynn with her. Statements by both girls also said, that they had visited night clubs in Nairobi.

The hearing was adjourned.

In Brief

Striking scenes at the Met

New York, Sept 4.—Members of the chorus and ballet of the Metropolitan opera in New York are striking in support of demands for a new contract. Plans for the new season, which starts on October 13, have not been affected so far.

Previous contracts expired in August and none of them have been approved yet.

Bible centenary

Tokyo, Sept 4.—Japan will celebrate the 100th anniversary of the distribution of the Bible in Japan at a ceremony here on September 15 with about 600 Christians attending.

Soviet Jews review

Moscow, Sept 4.—The number of Soviet Jews seeking to emigrate to Israel has fallen by almost two thirds in the past two years, and applications by Jews to return to Russia are increasing, according to the Novosti press agency.

No presidential break

Buenos Aires, Sept 4.—President Isabel Peron, who was to have taken a month's holiday to recover from the strains of a 12-week political crisis, has now changed her mind.

Olympian despair

Geneva, Sept 4.—Dr. George Sraschnow, director of the European Broadcasting Union's legal division has "definitely" given up hope for international television coverage of the 1976 Montreal Olympics after the breakdown of talks on transmission rights.

Mixed bathing rejected

Johannesburg, Sept 4.—The City has turned down a demand that its swimming pools should be open to all races on the ground that mixed bathing could lead to friction and even bloodshed.

Frozen ambition

Ottawa, Sept 4.—A Polish yacht carrying 10 men who are trying to repeat Amundsen's crossing of the North-West Passage at the start of the century, is feared to be trapped in ice.

President to wed

Lourenco Marques, Sept 4.—President Samora Machel of Mozambique, who is 41, will marry his Minister of Education and Tourism, Miss Gracia Simbine, aged 28, next Sunday.

Torture man 'fed the Fleming cats'

From Mario Modiano

Athens, Sept 4

One of the chief defendants in the Athens torture trial said today that after Lady Fleming's arrest he had sent one of his officers to collect medicine for her from her flat and feed her many cats.

Mr. Theodoros Theophylou-nakos, formerly a colonel at EAT-ESA, the notorious torture centre, who has been reduced to the ranks, was trying to persuade the Athens court martial that his former prisoners were treated kindly.

The defendant, who is on trial with 30 officers and privates for torturing political

prisoners during the dictatorship, praised Lady Fleming's courage: "Although she was a woman, she refused to give me information. She told me: 'Even if you tear my tongue out I shall tell you nothing'."

Major Anastasios Spanos, another former chief of EAT-ESA, also tried to prove that the staff of the Centre and their prisoners were on the best of terms.

The three officers who commanded EAT-ESA from 1970 to 1974 claimed in their defence pleas today that there had been no tortures at the Centre. Statements to the contrary by privates in the dock who had

turned state's evidence extorted from promises that they treated leniently, if When the judges the 128 witnesses for caution who had de personal experience the defendants said had grossly exagger Many of them did publicity, others out passion, and most wanted to justify i which which they ha and betrayed their i anti-state activitie The defendants' d punctuated with i against the witness

Chairman Mao supports 'anti-capitulation' drive

From David Bonavia

Peking, Sept 4

Chairman Mao Tse-tung has given his personal authority to the new political campaign against "capitulationism" in China.

Official Communist Party organs disclosed today that he had composed a new aphorism condemning the attitudes expressed in the sixteenth century novel, *Water Margin*, which is being taken as the latest teaching by "negative example" with reference to modern politics.

Chairman Mao specifically dismisses the novel's hero, Sun Ch'ang as a "revisionist" and a seeker after the emperor's amnesty rather than a true revolutionary.

An official commentary today points out that Mr. Liu Shao-chi, the former head of the team of late Marshal Lin Biao had wanted to "capitulate" to the Soviet Union.

Chinese intellectuals, in talks with foreign diplomats, have said that they think the main aim of the campaign is to keep the opposition to the Soviet Union. However, it is likely that domestic issues and personalities are also being allegorically discussed.

Sung Ch'ang as a "revisionist" and a seeker after the emperor's amnesty rather than a true revolutionary.

50 die of cl in Indian ci hit by 10ft

From Parna, India, 50

least 50 people have chnlera in the flood of Bihar state, reli said.

Seventeen people have been officially dead in flood in Bihar, where more than 100 people were after rivers broke their days ago. The city w with water up to 10ft.

The state Govern been reluctant to give mate of the dead be cue operations are n on; but it has said 5,000 people have cl patients. One week u than half a million were stranded on.

There are about 75,000 ing in flooded parts civ.

The Indian Air For ended an operation essential supplies to a city residents. Each is now receiving one clean water a day fro teams.

arched followed by a cse team in 1973. The Japanese w in attempt the south and the only team to cl mountain in autumn. B were eventually forced the traditional south-ea route pioneered by Edmund Hillary.

New York City again faces default

From Peter Strafford

New York, Sept 4

Last-minute negotiations began in Albany, the capital of New York State, today in an attempt to prevent New York City from defaulting on its accumulated debts. City and state representatives held meeting after meeting at an earlier round of talks, which ended at 4 am today, had failed to overcome the differences.

There was some confidence that New York would find a way of meeting the payments that fall due tomorrow, in spite of being \$100m (£48.6m) short. But decisive action was felt to be necessary.

This is not the first time that a crisis of this sort has built up. New York has been limping from crisis to crisis for several months. But this time a default is being regarded as a real possibility and preparations have been made to deal with it should it happen.

Leading article page 15

Iran defence bill tops Britain's

By Henry Stanhope

Defence Correspondent

After trebling its budget this year Iran is for the first time spending more than Britain on defence, according to figures published today by the International Institute for Strategic Studies.

Only the Soviet Union, the United States, West Germany, France—which also leapfrogged over Britain—and probably China, are spending more than Iran, whose defence budget reached a peak of about £4,554m.

The Shah's awesome equipment of his armed forces has continued with orders outstanding for 1,900 tanks and 450 jet fighter aircraft and "significant" purchases of naval equipment. These include six destroyers, three submarines and long-range maritime aircraft from the United States.

The defence budget also trebled in Saudi Arabia, which has 500 tanks and 150 fighter aircraft on order and is acquiring a small coastal navy.

With defence budgets seen

as a share of a country's gross national product, however, Israel remains proportionately the world's most profligate spender with 32 per cent of GNP being sunk into its armed forces. The average defence share of GNP in the Middle East last year was 12.4 per cent, compared with 10.6 per cent in the Soviet Union and only 3.5 per cent in Nato.

Commenting on *The Military Balance 1975-76* the institute says that the continuing sales of advanced armaments throughout the world emphasize the agency and difficulty of limiting conventional arms and the scant attention that is being paid to it.

In Africa the Soviet Union supplied aircraft and tanks to Uganda and aircraft, helicopters and landing craft to Somalia, thus making these countries potentially more powerful than their neighbours.

The Military Balance reports that China's nuclear programme has advanced more slowly than expected. No nuclear tests have been conducted since the sixteenth test in June, 1974. One type of intercontinental ballistic missile (ICBM) with a range of 3,500 miles has still not been deployed.

Dr. Christoph Bertram, director of the institute, said yesterday that shipbuilding statistics in *The Military Balance* this year welled alarm reports of a wide disparity between the navies of the Warsaw Pact and Nato.

The statistics credit the Warsaw Pact with 338 submarines against Nato's 261 in service. But the Pact's apparent advantage lies mainly in the number of diesel submarines rather than in the more significant nuclear-powered.

Nato is shown to have 576 surface ships against the Warsaw Pact's 458. Moreover, Western vessels tend to be larger and include the 18 powerful American aircraft carriers.

The Military Balance 1975-6 (International Institute for Strategic Studies, £1.50).

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هكذا امن الرجل

Cricket

Dudleston the pilot on awkward trip

Regular departures from Railway end

GUILDFORD: Northamptonshire, with eight wickets in hand, needed 24 runs to win.

Set 255 for victory, Northamptonshire lost both openers in the last hour of a day in which 19 wickets fell, 14 to the fast-medium bowlers, leaving Surrey to calculate the cost of their victory. Further points would place them in the championship table by the third evening.

Northamptonshire, reuniting at 22, had been in the Virgin, long before well forward, and were herded back, principally by Jackman, in 70 minutes and 15.5 overs. Their 22nd over, however, saw Surrey's first innings. Jackman, from the Railway end, moved the ball disconcertingly. Larkins, batting through for 100, was not enough; behind next ball, and Rowlands had to fend the next off his miss. With brisk pace he sent the ball to the wicket-keeper, and a sparrow sprouted the feathers and

[illegible]

Nottingham v Wawicks

[illegible]

Yorcs y Glamorgan

The Pull bear Miss Needham, 1 hole.
The Vera Nest to Miss Jackman,
3 and 1.

A woman handler mixed with Miss
Walker.

England's team for the women's
home golf internationals at New-
port, Gwent, from September 17
to 20 will include Mrs. Sylvia Evelyn
Greenhalgh and St Anne), Miss Julia
Pheasant (Pleasance), Miss Marjorie
Stanton (Beau Desert) Miss
Suzette Hulse (Conswold Hills),
Miss Lynn Harold (Gerrards)
Cross Park), Miss Jenny Lee-Smith
(Geosford Park). Miss Doreen Hennessy
(West Byfleet), and Miss
Margaret Burrows (Windsor).

Mrs Angela Bomalick was fined
£6 because it cannot play Mrs
Carol Comby (Delamere Forest)
It captain the side.

NABASIDHO, June 84. B Jones
and J M. S. Kaur have been elected
Hon Sec. Naburini; C V. Asahi;
M. T. Nakamura; Hon Treas.: Y.
Sumita.

Sweden, Poland, Soviet Union,
East Germany, East Germany.

The women's pentathlon event
was more clear cut, with the
unmistakable East Germans certain
to finish their title by wide
margins. All four East German
athletes topped £450 pts while
Burglinde Poliak will be
hoping to repeat her feat in the
European Championships which
she improved her world record
with a haul of 4,932 pts.

Wants y Gloucester

Sweden, Poland, Soviet Union, East Germany, East Germany.

The women's pentathlon event much more clear cut, with the formidable East Germans certain to retain their title by a wide margin. All four East Germans have topped 4,500 pts this year and the British Ladies will be hoping to repeat her feat in the 73 competition in Roma when improved conditions would record with a haul of 4,932 pts.

Common task

As usual the showpiece of the English season will be the international four-nation festival at Cardiff on March 13 and 14. The four countries championship, which has been abolished and replaced by a quadrangular tournament to be played in the last week of February at the home of Wales, Scotland, Ireland, and, probably, East Germany will take part.

Indoor hockey has been making rapid strides in England, Wales and Scotland. It is expected that this season why it has not advanced the same standards as West Germany and the Netherlands is that there is no separate season of indoor hockey as in Europe. The qualifying rounds of the indoor club championship of England will start next January and the first international will be played at Crystal Palace on March 5. The European Cup will be held at Wembley on February 15 and 16. Wales and Scotland did not qualify at Scotland will be there.

There was no play yesterday in a world women's hockey championships at Edinburgh as the teams at rest day. Today's group matches are:

Netherlands v United States; England v West Germany; Wales v Belgium; Argentina v Australia; Australia v

N. S. Taylor, not out ..
R. Stephenson, not out
Extras (b 4, 1-b 9, n-b

Common task

As usual the showpiece of the indoor season will be the International Cup, which will be played in London on March 13 and 14. The same countries championship has, by now, been abolished and replaced by a new European tournament to be played in the last week of March at Cardiff, where Wales, Scotland, Ireland, and, probably, West Germany will take part.

Indoor hockey has been making rapid strides in England, Wales and Scotland but one of the reasons why it has not advanced to the same standards as West Germany and the Netherlands is the lack of a strong tradition of indoor hockey as in Europe.

The qualifying rounds of the indoor cup championship of Europe will start next January and the final will be played at the Crystal Palace on March 5.

European Cup will be held at the Crystal Palace on March 15 and 16. England and Wales did not qualify for Scotland will be there.

There was no play yesterday in the world women's hockey championships at Edinburgh as the weather was too cold. Today's group matches are:-

France v United States; England v Ireland; Wales v Belgium; Argentina v West Germany.

is unaltered. It will gather

[illegible]

momentum from October with the
part of the county championship

mentum from October with the start of the county championship. The national club championships, sponsored by the B.C.C., are held on the same dates. Both events entail a long and arduous grudge, but before the championships begin, each of the 16 counties has to undergo the knockout stage early next year. Kent, the county champions, of Southgate, the national club champions, will be the first to be re-challenged this season. Increased competition makes increased demands on the physical fitness of players, and players for whom are committed to the main Britain Olympic party. Most of them are unlikely to appear in the county championship, but it is a situation which could apply much in England as in Scotland, Ireland and Wales. In new cases, the county champions of the British or Pakistan early next year.

London, the Great Britain champion, has already tried Southgate, but they have not yet met them on. He did not play last season. Hertfordshire because of his injury, and he has not yet played. Hertfordshire lost the county title. Kent was not the result of his success as Kent, too, were without a county champion.

Because of business commitments, the county champions

p. sponsored by Benson and

the national club championships were sponsored by the B&B. Both events caught an arduous grid before the champions emerge from each of the four regional events. The first of the knockout stage early next year. Kent, the county champions, and Southgate, the national club champions, will be the first to challenge this season.

Increased competition makes increased demands on the physical resources of leading players. Many of the players are committed to other British Olympic sports. Most of them are unlikely to appear regularly for their county. The situation which could apply elsewhere in England as in Scotland, Ireland and Wales. In new cases the club players will prefer to play in India or Pakistan next year.

London, the Great Britain captain, has already ruled Southgate out of the competition. He did not play last season. Hertfordshire because of his previous commitments. Hertfordshire's county title Kent was not the result of his success as Kent, too, were without him.

Because of business commitments, the players will be

arduous grind before the champions emerge from each of

arduous grind, before the champions emerge from each of the five areas eventually to play for the national cup at Lord's. Kent, the county champions, and Southgate, the national club champions, can expect a strong challenge for the change to the increased competition makes even greater demands on the physical resources of leading players many of whom are also called upon to represent Britain Olympic party. Most of them are unlikely to appear regularly for their clubs or counties in the summer months, and much in England as in Scotland, Ireland and Wales. In any case the British party will probably be India or Pakistan early next year.

London, the Great Britain captain, has already told Southgate that he will not play in the series. He did not play last season in Hertfordshire because of his knee and was committed to the Hertfordshire county title when Kent was not the result of his injury. He was not the result of his injury as Kent, too, were without him because of business commitments.

the five areas eventually to play the knockout stage early next year.

Five acres eventually to play the knockout cup. The Southgate, the national club champions, can expect a strong challenge from the competition makes further demands on the physical resources of leading players many of whom are cricketers. Most of them are unlikely to appear regularly for their clubs or countries in the summer months, much in England as in Scotland, Ireland and Wales. In any case British players will probably be in India or Pakistan early next season.

London, the Great Britain captain, has already ruled Southgate out of the competition. He did not play last season. Herfordshire because of his Cup commitments. The county title was won by Kent, but the result of the match as Kent, too, were without a first-class match because of business commitments.

F. Kent, the county champion, and Southgate, the national club champion, can expect a strong

Southgate, the national club captain, can expect a strong challenge this season. The club has a number of players who are committed to the club and are unlikely to appear elsewhere for their clubs or countries—a situation which could apply to the likes of England's Ian Botham and Wales. In any case British players will probably be in India or Pakistan early next season.

London, the Great Britain captain, has already told Southgate that he will not play last season's Test match in Northampton. He may not play last season's Hertfordshire because of his county commitment. That may mean that only a few players will be available for the match. Kent was not the result of his county, too, were without because of business commitments.

Increased competition makes

then challenge this season, increased competition makes heavier demands on the physical fitness of the athletes, many of whom are committed to the Great Britain Olympic party. Most of them are unlikely to appear regularly for their clubs or communities in the winter months, particularly in England as in Scotland, Ireland and Wales. In any case British players will probably be in India or Pakistan early next season.

At present, the Great Britain captain, has already told Southgate that it be cannot rely on them too much. He did not play last season for the Welsh side, but he is a world-class player.

World Cup commitment. That the Welsh side was not the county title holders last season was a result of a combination of factors, including the fact that Southgate was not the result of his selection as Kent, too, were without a captain.

Because of business commitments, Southgate is unable to

sources of leading players many

over demand on their physical resources of leading players. The British Olympic party. Most of them are unlikely to appear particularly for their clubs or country. Some of the players are from Commonwealth and Ireland in Scotland, Wales. In any case British party will probably be India or Pakistan early next month. The Great Britain captain, has already told Southgate that he cannot play for them too. He did not play last season for Bradford City. He is not a world cup commitment. That is why he lost the county title as Kent, too, were without him. The reason for his absence from business commitment.

Great Britain Olympic party. Most of them are unlikely to appear.

the British Olympic party. Most of them are unlikely to appear individually for their clubs or country—a situation which could compound the problems in England as in Scotland, Wales and Ireland. In any case the British party will probably be Indian or Pakistani early next year.

In Scotland, the Great Britain captain, has already told Southairst that he cannot play for that team. He did not play last season at Hertfordshire because of his World Cup commitment. That Southairst lost the county title was the result of his absence at Kent, too, were without him for the final.

Because of business commitments, Southairst is unlikely to

—a situation which could apply

...for their clubs or coun-
—a situation which could apply
much in England as in Scotland,
Ireland and Wales. In some
British party it might probably
or India or Pakistan early next
year.

Cotton, the Great Britain cap-
tain, has already told Southgate
he cannot play for them too
soon. He did not play last season
at Hertfordshire because of his
World Cup commitment. That
Hertfordshire lost the county final
last year was due to his ab-
sence as Kent, too, were without
him for the final.

Because of business commit-

land and Wales. In any case
the British party will probably

...which in England and Scotland
land and Wales. In any case
British party will probably
or India or Pakistan early next
winter.

...Canton, the Great Britain cap-
...has already told Southgate
he cannot play for them too
...He did not play last season
Hertfordshire because of his
wild cup commitment. That
Hertfordshire lost the county title
Kent was not the result of his
absence as Kent, too, were without
him for the final.

...because of business commit-

India, or Pakistan early next year.

India or Pakistan early next year.

Cotton, the Great Britain captain, has already told Southgate that he cannot play for them too soon. He did not play last season for Hertfordshire because of his World Cup commitment. That Hertfordshire lost the county title last year was not the result of his absence as Kent, too, were without him for the final.

Because of business commitments, Southgate is unlikely to

London, the Great Britain cap-
tain, has already told Southgate
he cannot play for them too

tion, the Great Britain captain, has already told Southgate he cannot play for them too often. He did not play last season for Hertfordshire because of his World Cup commitment. That Hertfordshire lost the county title was not the result of his absence as Kent, too, were without a player for the final.

Because of business commit-

He did not play last season for Hertfordshire because of his

He did not play last season in Hertfordshire because of his World Cup commitment. That Hertfordshire lost the county title to Kent was not the result of his absence as Kent, too, were without a wicket-keeper for the final.

World Cup commitment. That
Hertfordshire lost the county title
Kent was not the result of his

Because of business commit-

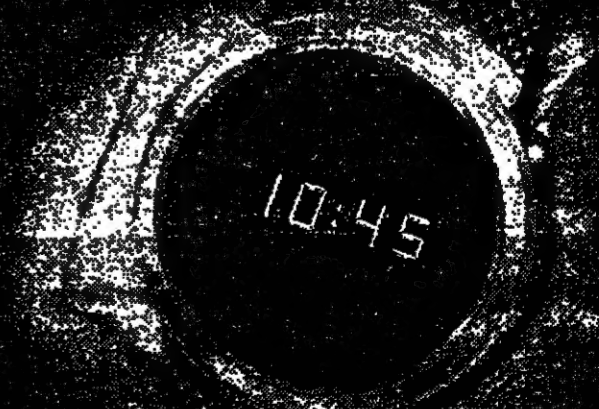
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chance for the final.

Because of business commit-

Because of business commitments Neale has relinquished to

Because of business commitments Neale has relinquished to

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Is there a case for thinking small?

Despite the growth of large-scale industry during the past century, the majority of factories in Britain are quite small. The most recent figures available, based on the 1972 Census of Production, show that 93 per cent of the United Kingdom's 110,000 manufacturing units employed fewer than 200 people. Even if the estimated 50,000 factories with fewer than 11 people are excluded, over 87 per cent of the remaining establishments employ between 11 and 200 people each. About a third of all industrial employees are in these small factories, with another third in medium-sized units employing between 200 and 1,000 people and the remainder in the large factories.

But the interesting feature of the statistics is that the proportion of employment in small factories varies from region to region, and from industry to industry. The census report (PA 1003) classifies manufacturing establishments into 50 geographical regions and 120 industries (the "Minimum List Headings"). The highest proportion of employment in small factories is in the rural areas, usually well over 50 per cent of the total employment in small units.

The only urban industrial areas where the proportion of employment in small firms exceeds 50 per cent

are Leicester (44.6 per cent), Northampton (41.6 per cent), Burnley/Blackburn (41.1 per cent), Leeds (41.3 per cent), Greater London (40.4 per cent), Manchester (34.4 per cent), Cheshire (33.9 per cent), Peterborough (33.5 per cent), the Outer Metropolitan (32.5 per cent), Birmingham (31.4 per cent) and Derby/Northingham (30.4 per cent). At the other extreme, the industrial areas with the lowest proportion of employment in small firms are Barrow (8.3 per cent), Coventry (16.4 per cent), Teesside (15.8 per cent), Flint (17.2 per cent), Preston (18.7 per cent), Newcastle (19.3 per cent), Scunthorpe (19.5 per cent), Swansea (20.6 per cent), Merseyside (21.8 per cent), South Lancashire (21.9 per cent) and Cardiff (24.4 per cent).

Most of the industrial areas with the relatively low proportion of employment in small units are generally regarded as less prosperous than those with the higher proportion. The exceptions are perhaps Burnley/Blackburn, where the high proportion of small factories may be associated with the textile and clothing industries and, in the other group, Coventry, which was often quoted as a prosperous city until the recent decline of the vehicle industry.

Confirmation of these differences in regional proportions is given by the proportion of employment in small firms are vehicles (10.5 per cent), shipbuilding (14.4 per cent), electrical engineering (16.3 per cent), metal manufacture (17.7 per cent), and chemicals (21.4 per cent). In some of the individual industries, the proportion of total employment in large units is very high, e.g. aerospace (79.9 per cent), tractors (79.8 per cent), industrial engines (76.0 per cent), telephone equipment (74.5 per cent), iron and steel (70.8 per cent), and motor vehicles (65.9 per cent). There may be a few others, too, because for some industries the Census data does not give figures in order to avoid disclosure of information about individual firms.

All these figures relate to manufacturing units, some of which may be satellite factories of large organizations. No recent analysis is available by size of enterprise to show the contrast between the small independent companies and the giant organizations with multiple factories. However, there seems to be sufficient correlation between the proportion of employment in small units and industrial prosperity to warrant further detailed investigation.

E. G. Wood

The author is the director of Sheffield Polytechnic's Centre for Innovation and Productivity.

Appointment of Chief Executive Officer

Salary—circa £11,000 p.a.

As leader of the Officers' Management Team, the Chief Executive Officer is the Council's principal adviser on matters of general policy and has overall responsibility for the efficient management of the Council's functions. The Council is organized on corporate management lines and the successful applicant will be required to continue that policy.

Applications are invited therefore from persons of proven managerial ability and initiative which will be regarded as more important than past local government experience which is not essential.

The post is a challenging one, as the District combines a blend of civic history, urban development and rural character in its area of 63 square miles and provides services for a resident population of around 125,000.

Application forms (returnable by 24th September 1975) and further details of the post and the District are available from the Personnel Officer, 16 St. Peter's Street, St. Albans, Hertfordshire, AL1 1JL. Telephone: St. Albans 96100, Ext. 2633.

City and District of St. Albans

RESTORER—Paintings

£4,810—£7,520

This London-based post is in the Conservation Section which deals with the restoration and preservation of mural and ceiling decorations and easel pictures in the care of the Department.

Candidates, aged at least 28, must have at least 7 years' experience of modern techniques in the examination, conservation, cleaning and restoration of paintings, painted murals, and ceilings. They should normally hold a relevant diploma, or other qualification awarded by a recognised college of art. Starting salary may be above the minimum of the graded range. Non-contributory pension scheme.

For further details and an application form (to be returned by 26th September, 1975), write to Civil Service Commission, Alencon Link, Basingstoke, Hants RG21 1JB, or telephone Basingstoke (0256) 85551 (answering service operates outside office hours) or London 01-636 1892 (24 hour answering service).

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Two tasks predominate: the efficient utilisation of generated funds and the provision of funds to sustain profitable growth.

A record of attainment is sought in all aspects of cash management and funding with emphasis on funds control and investment, finance raising and leasing, foreign exchange dealing, exchange control, and capital structures.

Relevant experience will have been at the centre of a large international business operating in the industrial, banking, commercial or public sectors. Professional and graduate qualifications would be advantageous.

Age mid-late 30's. Salary indicator is £8,000. Location: Outer London.

Letters which should include a detailed curriculum vitae, will be handled in confidence by Dr. A. G. Roach.

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Applicants should be associates of the Royal Institution of Chartered Surveyors (or equivalent) of some years standing and be capable of taking charge of an area office when called upon to do so from time to time.

The work includes the management, repair and maintenance of most types of urban and rural property together with purchase and sale by agreement and under compulsory powers, rating and the general work of a surveyor's department.

Applicants stating age, qualifications, experience and any other relevant particulars should be submitted, as soon as possible, by letter addressed to The Assistant Director (Personnel—Staff), Thames Water Authority, 173 Rossbury Avenue, London WC1R 4TP.

Closing date for applications is 17th September 1975. Please quote reference 114.

Greater London Arts Association

Appointment of

Director

Salary negotiable but not less than £7,500.

Further particulars may be obtained from

The Correspondent,

Greater London Arts Association,

25/31 Tavistock Place, London WC1H 9SF.

Welsh Office-Y Swyddfa Gymreig

Industrial Director

To promote new industrial growth and modernisation of industry within Wales.

The Welsh Office is responsible for implementing Government measures aimed at stimulating industrial development in Wales. An important element in the Government's regional policy is the selective aid programme.

Based in Cardiff, the Industrial Director has a key role in assessing industrial needs in Wales and in the preparation of projects for submission to the Welsh Industrial Development Board. In close co-operation with the Director, Industry Department, Welsh Office (a Civil Service Under Secretary), the person appointed will exercise considerable authority in the allocation of selective financial assistance to industry.

The primary responsibilities of this post will be:

1. To seek out firms which might be encouraged to undertake expansion projects.
2. To evaluate applications for selective financial assistance and to make recommendations.
3. To provide an industrialist's view on steps which will encourage the expansion.

Candidates must have held a senior managerial position in industry or finance (preferably both). It is essential that the successful candidate should be able to work with others in a team and to communicate his particular expertise. Candidates should also have the ability to discuss financial issues authoritatively with top management and to influence the planning and decision-making of industrial companies in a positive manner.

The salary for the post is to be agreed in the light of the experience and relevant qualifications of the successful candidate, but will not be less than £10,500.

The appointment will be for two years. As an alternative to direct appointment a secondment from a candidate's present employer can be arranged on reimbursement terms to be negotiated.

Please write, enclosing a curriculum vitae, and quoting references to Mr L. J. Lloyd, MBE, Establishment Officer, Welsh Office, Cardiff, CF1 3NQ, as soon as possible and in any case not later than 29th September 1975.

Blacktown District Hospital

N.S.W., AUSTRALIA

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Bernard Levin

The Lisbon-Blackpool road to tyranny

Look here upon this picture, and on this; in the teeth of contrary assertions from the geographers, I insist that Blackpool is not far from Lisbon, and I now present my evidence.

Watching the struggle of the Portuguese people against the imposition of a tyranny far worse than the one they overthrew in April last year has been an experience alternately—indeed simultaneously—engaging and exhilarating. The brutality, dishonesty and incompetence of communism have provided me over the years with many a song and not a few choruses, but there is a quality of impudence about its activities in Portugal that offers a new theme altogether. Despite all the intimidation by Senhor Cunhal, the odious Stalinist apparatchik who came from his hole in Moscow with orders to steal the glorious revolution made by braver and more honest men, despite all the years, under the stifling rule of Salazar and his misrule, without experience of free political activity, despite the iron control by the Communists of the television and radio services and their heavy influence over the press, despite the desperately short time the democratic groups had to read themselves into a state of readiness comparable to that of the Communists, despite all this and more handicaps still, the Portuguese people voted overwhelmingly in favour of democracy and overwhelmingly against communism; the Communists got barely more than a tenth of the votes, and there can be little doubt that in an election today they would get far fewer.

But of what interest are the wishes of the people to the tyrants who claim to rule in their name? Ever since the Portuguese election, there has been a bitter and increasingly violent struggle between the people on the one hand, determined to have the freedom for which they voted so massively, and the Communists on the other, no less determined to impose the tyranny the people rejected. They have used every trick, every lie, every threat, every kind of force at their disposal, to avoid having to comply with the unambiguously expressed desire of almost all the people of Portugal—that Portugal should be governed by democrats and not by Communists. Can anyone doubt that if Portugal had a frontier with the Soviet Empire the tanks would have rolled across it months ago? (And does anyone need any help in listing those Labour MPs who would have welcomed, silently or even openly, such an action?)

That is the engaging half of the equation: but fortunately there is the other half to dwell upon, too. The sight of brave men and women resisting tyranny is always exhilarating; surely there was no one, amid the anger and despair felt at the 1958 invasion of Czechoslovakia, the capture of the Soviet Union and her colonies, who failed to feel also that lift of the heart at the sight of the uncrushable spirit which the invasion was faced. (An even more powerful form of the same response was generated by the Hungarians who in 1956 rose in arms against the occupying forces.) Tyranny, whether it is Hitler's or Stalin's, Khrushchev's or Vorstov's, Brezhnev's or Papadopoulos's, Castro's or Cerezo's, Amin's or Nkrumah's,

Mao's or Franco's, always and inevitably cultivates within itself the seeds of rebellion against it, whether that rebellion issues in bloody conflict or in passive resistance or in a simple and implacable resolve, unseen and unheard, to hate tyranny for ever and to pass on that hatred, generation to generation, until the time comes for tyranny to be overthrown. And that is especially heartening about the Portuguese resistance to communism is that it comes from a people who have had no opportunity to taste political freedom for half a century, and thus demonstrates once again the principle, which I have spent most of my life proclaiming and shall die wedded to, that the desire for freedom is within every nation, even those who have not within living memory known it. That is why I use only for lighting fires those papers which tell me how popular Mr. Kadar is in Hungary, and with what love and reverence every North Vietnamese regards the memory of Ho Chi Minh, and what a large majority Tito would get if there were genuine elections in Yugoslavia, and how the blacks of Rhodesia think of Mr. Smith as a wise and kindly father. And that, also, is why the brave fight of the Portuguese is so encouraging, and why it is vital for all of us that it should succeed.

And what, you may ask, if you still remember how I started this column, has Portugal to do with Blackpool? Why more than the fact that you can get stung by Portuguese men-o-war if you go swimming off Blackpool's sands. For when, on Tuesday, a mob led by the Blessed Eric Tomlinson held up the proceedings at the TTC

with a demonstration on behalf of his fellow-martyr the Blessed Des Warren, the country was provided with a demonstration in another sense of the word—namely, the nature of totalitarianism. It was not just that one thing was demanding the release from well-merited imprisonment of another: that was only to be expected. But it is significant that the Blessed Eric and his gang started their uproar at the first speaker (he turned out to be the last) who dared to oppose the motion for action in support of the release of the Blessed Des. That was Mr. Tom Breakell, of whom I have hitherto known nothing; the loss is clearly mine, for he seems a man of admirably plain speech and of exceptional fortitude and imperatibility. The moment he announced that he was not going to "jump on the bandwagon" the Blessed Eric and his storm troopers, resolute in their fear and hatred of even so much tolerance as would allow an opposing view to be heard, started to yell slogans and abuse, and Mr. Breakell's voice became wholly inaudible above the howls.

When they paused for breath, Mr. Breakell, cool and courageous, pointed out that the whole of the subject of militancy—a proposition admittedly designed to cover both the affair at Shrewsbury for which the Blessed Des was jailed and what was happening in the hall as he spoke. At this, the brave fight of the Portuguese is so encouraging, and why it is vital for all of us that it should succeed.

possible to silence indefinitely, and when order was in some extent restored he made a point that should have been (but was not) sharp enough to penetrate even into the head of Mr. Len Murray, who was best in condemnation of the interruptions, but had not a word of criticism of the original crime. He simply described one of the incidents at the Shrewsbury fracas that ultimately led to the imprisonment of the Blessed Eric and the Blessed Des: in this a trade union member (but what do the interests of trade unionists matter to the totalitarianism which ideal trade unions are the kind run by Mr. Shelleys and his successors?) was "kicked off a scaffold" and then kicked by a group of people who had been waiting for him to be kicked off. And added Mr. Breakell, that man is now partly blind.

And now I hope the connection is clear between what is happening in Portugal and what happened at the TTC on Tuesday. Men inspired by the same evil ideology apply it, in different countries, to their own particular circumstances, but the implications are identical: freedom will not survive anywhere that such men gain power. If Cunhal and Goncalves and their ilk get control of Portugal, the whole brutal system of totalitarianism will be fastened upon the Portuguese people; if Tomlinson and Warren and their like should come to power in Britain, the same would happen here. Mr. Tom Breakell, however, would be marked down as one of the first for vengeance. (The tyrants are a very great deal closer in power in Portugal than in Britain: but they march along the same road.) Times Newspapers Ltd, 1975

Publish and be happy: Half a century in the book trade



Richard de la Mare: "I like sticking my neck out."

"Every book we have published has, in a sense, passed through my hands," said Richard de la Mare, eldest son of the poet Walter de la Mare, and president of Faber and Faber, looking back over the 50 years that will be marked by the exhibition Faber books 1925-75: impressions of a publishing house at the National Book League, September 9-20.

The firm of Faber and Gwyer which he joined in the autumn of 1925 published the work of the Scientific Press, and the Nursing Mirror and The Hospital, under the influence of the philanthropist, Sir Henry Burdett. It was decided, after his death, to establish a general list. "There were very few of us to begin with. I had been for two years in a dead end publishing job, and I was told that they were looking for an assistant manager. I put in for it, and was very fortunately recommended to Geoffrey Faber, and I was taken on, which was very exciting."

"I had no qualifications, of course. How young we all were! I was 24. Geoffrey Faber was 36, and Tom Eliot was 37—everyone was under 40. Eliot, to begin with, didn't play a great part, except for editing Criterion—but later on he was able to take more time for the business. He always told me that I was a fortnight senior to him. I remember seeing him for the first time and being slightly intimidated—though he became a great friend. He was a man whose opinion and advice I could not have valued more highly, especially after Geoffrey Faber died and I became chairman."

"Even if I had no qualifications, very soon after we began I was thrown in at the deep end at the production side because there wasn't anybody else. A manuscript arrived, and a colleague who was the manager gave it to me with the words: 'It's got to be printed—look after it', and from that moment for the next 20 years I did every bit of book design and book production for the firm. I discovered that I had some sort of talent for it, rather to my astonishment, and enormously enjoyed it. It was something creative that gave me immense satisfaction. I also met with kindness and help from the printers and colleagues on the technical side of publishing. They were exciting years. New ideas, new forms of type, better methods of production, all were becoming available, and one of his proud moments was his election to the Three Crowns, a typographical society of all the people in the field of book design, printing and typography. It widened his horizon and outlook "and was an enormous boost to my morale."

It was not just the specialised work in book production to which he was devoted. "We all realised early on that Geoffrey Faber had an insatiable understanding of publishing. We had been with the Bodley Head Press before he was (I believe, I think) and I knew what our problems would be—the first one would be getting enough books—there was also a certain anxiety in aving everything very successful early on—it might have been things seem to be."

The first book that really took off for us was Siegfried Sassoon's *Memoirs of a Fox-hunting Man*. I knew Sassoon quite well, stayed with us on several occasions after the war, and I had been writing to him on foxhunting, for heaven's sake. YES, I said, and came to me chapter by chapter as he wrote it. He was shy about it more people coming to us."

because he hadn't published anything except verse. "The first printing was anonymous and it was sold out on publication. We had a second printing out in fourteen days, and the first 500 didn't have his name on, and the rest did. Everybody knew he had written it, it didn't remain a secret. We published in September, 1928, and we had sold 13,000 copies by the middle of December and within three years we had sold blue printings of it. We were all of us thinking about books to get people to write—we had to do more than other people at that time because it was the only reasonable hope of getting going. I remember I did quite a lot myself. I started editing literary prize. She, too, had never published anything but poetry, and I felt that poets generally write good prose (my father did) and we started a little series called *The Poets on the Poets*, which turned out to be very successful and led to some even more successful books later. I wrote in two or three people I knew—G. K. Chesterton was one of them, he was a friend of my father's—I asked him to do an essay on Chaucer—after a certain amount of humming and hawing from his very formidable agent, A. P. Watt, he wrote it. It was a bit slow in starting it, and so I thought I really would prefer a full length book on Chaucer, and he eventually did it. Similarly I asked Edith Sitwell to write a short essay—I suppose it must have been on Pope, because it grew into a full length book on Pope. She wrote it quite quickly, I had it in November 1929, hoping to publish in February the following year. Actually it came out in March."

"Now it would take you six months, nine months, even 18 months, but that is what one expected to do. She welcomed this suggestion, and I kept her at it for several years—there was a book on English Eccentricities, and on Queen Victoria. There are several letters from her saying how pleased she was that I had persisted in asking her in the exhibition."

Other inspirations included a series on Great Languages—"It was Geoffrey Faber's idea, and it still goes on." The latest is a vast review of the prowar volume on Romance languages. In 1929 *The Nursing Mirror* went its separate way, and Faber and Faber came into being. All the early years of the firm were spent in a period of slump and depression, which had set well in by the 1930s. "We didn't make a great deal of money, but we made a considerable reputation for the kind of books we published. However, a success of a kind was not enough. But it was important in that we were more people coming to us."

Richard de la Mare, who was a week at it but said in a letter to me that he was "retiring at the moment" and I shall touch, and remain a very am thankful for everything."

Philip

Reform can make some votes more equal than others

The Times has been more courageous than politicians in suggesting how we should face up to our economic ills. Unfortunately its support for electoral reform encourages the belief that there is some way of side-stepping our problems by reshuffling the political pack. It is not just a delusion, but a highly dangerous one.

History strongly suggests that systems of proportional representation tend to fragment the political spectrum and to produce multi-party systems. There are exceptions, but the general tendency, particularly in conditions of social or economic stress is clear. P.R. ensures a place for what Bagehot called

"every inn in England" and encourages the sudden growth of new or extremist parties. The electoral system undoubtedly helped Hitler's rise to power and Chile's descent into chaos.

The fact that Ireland and Germany have strong elements of a two party system does not invalidate the general argument. Both those countries have very strong historical reasons for the political division that has arisen to be anywhere as near important as that between the two main parties.

Germany's economic performance has been outstanding, and history has given it every reason to fear extremism. But it is not electoral systems which have stopped these countries developing multi-

party systems. Transferred to this country, with all the strains of the last few years, the Irish and German systems could have produced results quite unlike either ours or theirs.

The drawbacks of multi-party systems are as notorious as they are clear. They have become extremely difficult to effect a real change of government: as in Italy the names of the Prime Ministers change, but each administration has an extra-parliamentary one. Multi-party systems are also a less democratic form of election: the choice of government is removed from the voter in an election to the Parliamentarians wheeling and dealing behind the Speaker's chair.

It should also be noted that PR and other systems now

being canvassed can produce capricious results. Preferential voting can make some votes more equal than others, and the alternative voting system could certainly produce results even more removed from the first preferences of the electorate than under our present system.

Many of the arguments advanced recently for electoral reform are contradictory. Some say it would make little difference to our party structure—a curious reason for changing the would only fragment the Labour Party. That is not the experience of France and the Scandinavian countries where the right has been more fickle than the left. There is no immediate apparent reason why one should believe the left would divide more quickly than the centre-right into Conservatives, Liberals, Nationalists, possibly Powellites and who knows what else in future.

Others would openly welcome fragmentation as an opportunity to create a "strong government" of the centre with Liberals, Conservatives and Social Democrats. This, they also argue, would exclude extremist measures like nationalisation. Arguably this might happen with the first election under a new system. But what of the future if the government of the Great and the Good was not successful. Where would the alternative government be? People would surely have no alternative but to vote for the extreme left for exactly the reasons that have strengthened the Italian Communists.

Nor should one underestimate the strange bedfellows that permanent coalition government can produce. Who can say what deals over nationalisation and devaluation might not be strangled between Tribunes, nationalists and some from the centre of the old Labour Party?

The electoral system could easily become political football, just as happened under the Fourth Republic. If the rules of the game are altered for one party's convenience, they can be changed again.

ence, they can be changed again.

Would a centre coalition government really be more likely to be successful in securing consent from the trade unions for economic policies? Altering the electoral system does not alter the facts of power. Mr. Scargill would find all too easy to resist any government composed of three or four different elements, all jockeying for position, all aware of the possibility of an election, present electoral system or otherwise. It is not how well it has served other countries, and at least it has saved us from an Italian political situation on top of our Italian financial problems. "Producing a majority is more important than weighing people's preferences. The great strength of our present system is that a small swing in votes can produce a relatively large swing in seats. It tends thus to give voters a clear choice, to produce a majority, and to be sensitive to swings of opinion. The arithmetic of February 1974, which is the basis of much of the present excitement—is both difficult to achieve and unlikely to be repeated again."

We should certainly pause before trying to engineer the break up of the Labour Party through changing the electoral system. The strongest force for moderating the extreme left is to keep them within the mainstream of politics and within a major party.

There they and their trade union supporters have to compromise to maintain Labour in office, or to win uncontested votes. It is all too easy to sound complacent, but that is still a better bet for moderation than hiring off an extreme left wing party with union support. If Messrs Benn, Atkinson and Scargill were on their own running their own little parties, the chances they would be really frightening.

Norman Lamont

The author is Conservative MP for Kingston upon Thames.

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The Times Diary

Building arks for self-sufficiency

For economic reasons, but Mayall said: "I have been making a profit at all, but I have to confess to it." Some Cambridge researchers had done co-sines on his and three other organic farms, and though their results have not yet been published, Mayall is confident that they will support the arguments for his system.

"Our costs of production are lower and the gap is widening as the cost of fertilisers and sprays goes up," he said. "Modern agriculture has the soil simply as a means to hold the plant up straight, they put the artificial fertiliser they put the soil. Next we heard Major Sedley Sweeney who took up farming when he was made redundant from the Army. He has a ten acre mixed farm in Wales, on which he has come close to self-sufficiency already. It includes a carpentry shop and a forge, while his wife makes yoghurt and farmhouse cheese, and takes bed and breakfast guests in the season."

"The only way to opt out of inflation is to do it yourself," he said. But he stressed to those in the audience who were thinking of doing so that the quality most needed was discipline, not the self-discipline to achieve the self-sufficiency.

"It was no good regarding organic as a romantic

gesture. "I must learn to survive things storm or go under," he said. "It may not be long before the soft option no longer has a clear aim in my case. I build a prototype ark which ride out the coming flood."

He feared ark-builders would not be through. "It's like the m in spring," he said. "I'll be out on a warm day, there is a frost and they're still a sign of sp. Other mayflies follow, anise."

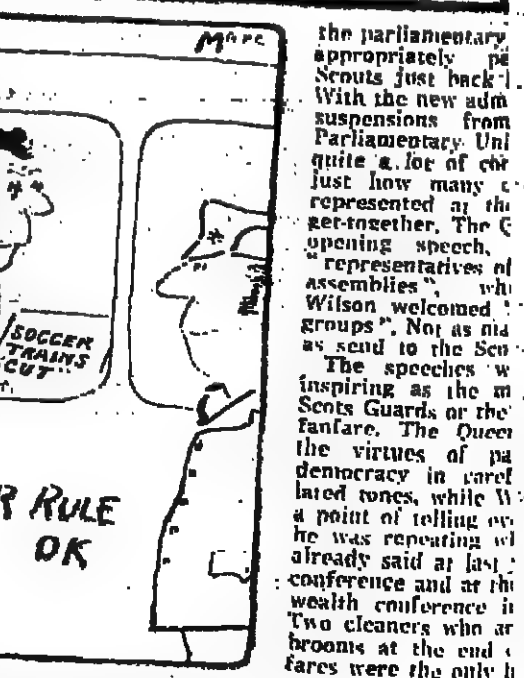
Dr Schurrammed home the down final address: "We are in a recession," he said, "the end of an era. The is over."

It was Sweeney who most impressed the young middle-class members of the audience. Many of them had a of ark-building in wine couple—the husband a professional worker already on 12-acre farm in Northumbria, and wife a busy copy, major's diagrams of cations, simple farm machine farmhouse cheese press.

The two cyclists were working hummer on an organic vegetable farm owned by a friend who used to work for the Army. They eventually left their own place, and put off by Major Sweeney's warnings. "It is even more determined the woman, the man used to be a teacher, and he seems to be a spell in the first."

Their de was impressive. The association secretary, told credulously: "One of us from the books has been £10 on the books and from our bookstall."

Certainly helped put my own bits on the Britain's farm scene.



It was a particularly timely antidote to my effusion about my marrows last Monday, which some tell me was an excessive piece of self-congratulation.

Democratic

There was a long queue to get into Westminster Hall for the opening of the later-Parliamentary Conference yesterday. Litmus-test dropped ambassadors on the other side of Palace Yard where they diplomatically joined on the end, but a few parliamentarians showed a few and tried to jump the queue. Some of the Haitian delegation were waved back to their place, and a policeman headed off a Librarian, but a couple of Senegalese successfully slipped in while backs were turned. Some of the stewarding

Save it

Cordelia Hill of Sefton with a problem which is certain to keep us awake during the autumn evenings. "D 1911 war," she said, "a grandmother collected little left-over bits of a and got them into a h did not disintegrate. How did she do it? boiling the bits in a water and the oil was a ruined sausage never lost the smell of. Please help me. I me to throw anything these days and I do of soap and I do they to make them a ball." A challenge I am sure you will not rise.



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IL REAL PROFITS AFTER TAX

It would be premature to think the publication yesterday of Sandilands' report on auditing will conclude the argument about how company profits should be presented in the light of inflation. Whatever the publication eventually makes, the publication of this report will be a watershed in the argument of the theory and practice of accounting. Clothed in the language of the auditing profession, the issues involved go to the heart of our economic and political system. In essence, the report is that, because of inflation, companies have in general been making smaller profits in real terms than they have been making. In 1974, for example, estimated that nearly half profits declared by British companies were not profits in real sense, but merely bookkeeping rises in the value of a company because of inflation.

It is these "unreal" profits that enter into the political debate about the size of the national income and the rate of taxation. And it is these same unreal profits that are the basis on which the Inland Revenue levies corporate tax. The purpose of the report is to give a true and fair view of the affairs of a company. In a period of price inflation, the traditional auditing methods, based on the

historic costs of a company's past expenditure, served well enough for most purposes. Even in a period of modest inflation, though, historic accounting basically assumes constant prices, the resulting distortions are not sufficient to require a root and branch revision of accounting practice.

In a period of rapid inflation such as we have been experiencing, however, the distortions become intolerable. In general, traditional accounting gives the impression that companies are making profits, when in fact they are consuming their own seed-corn, for example by not replacing their existing plant and machinery at ever-inflating prices. In particular, since the process of inflation affects the conduct of different businesses in different ways and in different degrees, an accounting system which does not take into account the existence of inflation is producing a badly distorted picture of the relative performance of different companies. Both from the point of view of the investor and from that of the proper allocation of national resources, this cannot be a satisfactory state of affairs.

It has been argued that the Government should not contemplate any change in the system that so clearly recognizes inflation as a part of our system, because of the psychological damage that such an admission

would cause. There might have been some force in this argument at an earlier stage of the inflationary process. Now, however, it is too late, for the damage has already been done. The Sandilands committee must be right in concluding that, since inflation is an established fact, companies must now be required to ensure that its effect on their financial position and their results are clearly shown. In any case the proposed Sandilands system would not give a misleading view of profits if prices were static or falling.

Successive Governments have been reluctant to grasp this nettle for the obvious reason that it has the most uncomfortable implications for our entire system of corporate taxation. The present rate of corporation tax is 52 per cent. This, subject to all the necessary qualifications of the tax system, is levied on "profits" which, according to Sandilands, are overstated almost two fold. In other words, the present position is that British industry and commerce is making little more "real" pre-tax profit than it is in fact paying in tax. A situation in which the private sector of the economy is making little or no "true" post-tax profits is not one that can be sustained for long. The realization that this is the position of British industry has not begun to enter into the political or public consciousness.

R CROSLAND SUGGESTS THE CUTS

he targets set by the Government for future spending by local authorities have necessarily been harsher and harsher, the critics have demanded that local authorities should accept its share of the blame by publishing its recommendations for the reduction of services. Mr. Crosland took the point, and the day issued yesterday outlined the economies that he regarded as unavoidable, and proposed more detailed advice later. It is far from being an intricate recipe for bringing the real rate of local spending, down to 6 per cent to nil in one year, but it does give official sanction to some unpopular changes that many councils will be loath to undertake. Much local spending is by its nature inflexible or concerned with the immediate welfare of individuals. Capital projects can cut without causing much hardship, except in industries that would have had them, but most dispensable capital projects have already been put aside for the distant future in the process of bringing growth in real expenditure down from 10 per cent to 6 in current year. Every year, a council has new commitments, a newly built school, a new statutory obligation to fulfil—and the ideas of what is expendable will often have to be set, a ban on real growth so that every new expenditure is balanced by a deterioration of services elsewhere. A circular says clearly that standards are inevitable.

It asks councils to consider reducing the level of services in parks, recreation, refuse collection and road mending. It warns them that subsidies on buses and Underground trains will be cut back further than had been proposed, so that fares will have to rise even higher. Cuts of this kind, the staple of past economy campaigns, cause relatively little hardship, although their cumulative effect on the quality of life is not negligible.

It is in education and the personal social services that cuts are most difficult and controversial. Education is the largest item in local expenditure, and the emergency calls for something more than the usual delays in redecoration and replacement of tattered exercise books. The circular takes the view that pupils whom the law compels to be at school should have the first call on resources, though even for them the aim is only to maintain existing staffing ratios, not to improve them. The underfives, children over sixteen and students in higher education must content themselves with still less. If discrimination by age must be made, this is probably as defensible as any. There is some slack to be taken up in some sectors of higher education, while the thesis that an early start at school can transform a deprived child's prospects has fallen somewhat into disfavour recently. In parts of the country (including some where deprivation is most severe) a decline in the number of schoolchildren of school age will take some of the

edge from these dilemmas in any case. In Britain as a whole, however, numbers are still rising, not falling.

The need for personal social services also varies in different parts of the country. The circular accepts that in places spending will have to go up, with offsetting savings in other services. It proposes the dismal expedient of letting new capital works stand idle for a while before bringing them into use, and suggests more profitably that some expenditure on services that are provided without regard to individual need should be reduced.

All this is no more than advice, of course. It remains within the discretion of authorities how they will make the desired savings and whether they will make them at all. Some, at least, may fail, whether through the scale of their particular problems or out of a feeling that governmental appeals for thrift are traditionally treated as flexible. But Mr. Crosland has announced that rate support grant, the main source of local authority funds, will be calculated next year on the assumption that spending has in fact held steady. This should enforce compliance in most cases, for even a relatively small overrun would fall with devastating effect on the rates. The crisis of the economy is too acute for any council to risk cutting on the supposition that Mr. Crosland is not being quite serious.

N NEW YORK GO BANKRUPT?

York's perilous contortions a brink of bankruptcy have fascinated and alarming to even if the level of success has been difficult to attain through constant postponement of the denouement. A modern city really be so to go formally bankrupt? Failed industry? Could it, it happen here or anywhere? It is certainly not to imagine any British sentiment, with or without Mr. sending the official letter along to County Hall as a shower of bouncing. Yet the problems of cities require that they be posed in some degree to the of economic reality. The city is to find ways of doing without either treating them as a matter how they handle affairs.

York exemplifies the case because it has reached a point of difficulties through an inextricable mixture of luck and bad management. Always been the main port for immigrants, especially for unskilled workers from Rico, who put an extra on welfare facilities and nice. It has also lost se from middle class resi-

dents and businesses moving out, which may partly be its own fault, but a fault it shares with many big cities around the world. In the past two years it has lost seven per cent of its manufacturing jobs and now has more than a million unemployed. The national recession has scarcely helped.

More culpably, New York has allowed its political and bureaucratic machines to grow fat on patronage. It has one civil servant for every 24 citizens while Chicago has one for 73. Its generosity in other fields looks heart-warming but imprudent. It has the most lavish pension system in the United States, one of the highest welfare rates, and a free university with open admission. All this has been financed by over-confident borrowing, so that 17 per cent of its budget is now spent on servicing debts. The result is not surprising—lenders simply lost confidence in the city as they would in any feeble borrower, and last December the banks informed the city government that they could not sell the city's bonds. That is when the present chapter in the long suspense story began.

Ironically or appropriately the cold draught of economic reality has hit the city when it happens to be in the hands of a mayor whose main claim to the job

was that he knew about money. Having spent fourteen years as the budget director and city controller, Mr. Beame seems to have tried his best to cut out 12,000 municipal jobs and reduce the short-term debt but he was too late and too unskilful as a politician. Like others before him he found New York beyond all normal means of control.

The idea that the state of New York should now take over financial responsibility for the city is logical enough. Cities have long ceased to make sense as economic entities. Yet even Governor Carey could not wave a magic wand and solve everything. He might sink his own finances in the process, especially as national economic policy is against raising taxes—which in any case would tend to drive even more jobs away.

Help may therefore have to come eventually from the Federal Government. Apart from being politically reluctant to bail out Democrats, it has hitherto taken a rather doctrinaire attitude towards lame ducks but, like Mr. Heath, it is becoming more aware of the wider damage that might be done by allowing a major enterprise to default on its debts. It can scarcely nationalize New York but it must now see national implications in the problem.

sure to give up amenity land, fearing that if it does resist it may lose both the development and the jobs? May I appeal for action from central government to prevent this small scale erosion of green belt land: the few acres involved may not be of national significance, but they are of importance to the daily lives of the local community.

Yours faithfully,
STUART BENNETT,
13 Stoneychurch View,
Annesley,
Nottingham
September 1.

London's problems and the GLC

From Mr F. T. Hollocks

Sir, Much of the controversy about the GLC and its finances in *The Times* is politically motivated and the main facts are overlooked. The GLC is not a body of politicians, but a staff, to state quite bluntly that London is unfairly treated in our financial system, and allow me to explain why.

1 The Government (and the bulk of the country) exhibits a considerable anti-London bias. This stems from widespread belief that London is wealthy (the City, etc.). But this wealth cannot be taxed by the rating system (because it is based purely on property values). Rateable value in London has increased by only 9 per cent in London, compared with 23 per cent elsewhere.

2 This attitude is reflected in the Government's treatment of London in rate-support grant negotiations, etc. The needs-grant formula literally chokes London of some £156m in 1974-75.

3 London is facing massive socio-economic problems affecting a vast area of the city, from the docks to the City, from the City to the City, etc. There are almost 100,000 unemployed in Greater London (more than 10 per cent of the total population). In Great Britain, the income of the poorest 25 per cent of London's households dropped by 12 per cent (1965-1973) compared with a 12 per cent increase for the same group in the rest of England and Wales. Firms are moving out of the City because of the increases in rents and rates and a mounting rate burden falls on those which remain. Thus the situation gets worse.

4 Thus London is trapped. Government grant is based on rateable value (RV), high in London because of shortages (e.g. housing) which force up prices and hence RVs. But the shortages stem from lack of resources to cope with its acute urban problems. London simply cannot win!

5 Meanwhile, individuals in London are being asked to bear a much greater burden of public expenditure. Rate payments are approximately 29 per cent higher in London than elsewhere. Government grants account for 38 per cent of London's rate fund expenditure but 55 per cent of that for the rest of the country.

6 In brief, London's economic and financial situation is deteriorating rapidly. Not only does London need more resources, but also a change of attitude in Government itself. Without this recognition, the contributions you and your colleagues make in the discussion of London and its problems are of little value.

F. T. HOLLOCKS, Secretary,
Greater London Council Staff
Association,
164-8 Westminster Bridge Road,
SE1,
September 4.

The regime in Romania

From Mr Horia Georgescu

Sir, Romanians living in Britain have asked me to protest strongly against the article written by your local Diplomatic Correspondent, Mr. Rendel, on August 28, about Britain's romance with Romania (a cheap pun that your esteemed Crossword Puzzle Editor, Mr. Akenhead, would have rejected as unworthy of *The Times*).

As a working journalist myself, I cease to be amazed by the gullibility of many of my Western colleagues, or by the cynicism of some when it comes to writing about the "independence" of Ceausescu's Romania. Mr. Rendel is certainly not one of those who want to ingratiate themselves either with the Stalinist regime in Romania or with the British leaders, who, falling over each other, are visiting Romania this month. But surely, as one of the most experienced diplomatic correspondents, he should have known better than to write about the "independence" of Ceausescu's Romania, and his rigorously authoritarian regime with the people of Romania.

Ceausescu's "spontaneous" and passionate denunciation of the Soviet invasion of Czechoslovakia in 1968 was the only act of his strutting, which did not deceive the Romanians, lasted less than 24 hours. That is, until the Soviet Ambassador came and called him to order. Objectively, to use the Marxist term, a Communist regime cannot be independent when its regime was imposed by Soviet tanks and is maintained by the threat of Soviet intervention, and when its leaders live in constant fear of the wrath of the Romanian people and of the hangers on their Kremlin masters.

I would also like to object to Mr. Rendel's assertion that Romania "has never known anything but an autocratic rule". This shows a crass ignorance of the history of modern Romania, which, since her independence in 1918, has been a country that has striven to adopt the French and British institutions. With all their failings, they did work in Romania especially in the social field—better, I dare say, than in pre-war Britain.

As to the visits to Bucharest by Sir Thatcher, Mr. Wilson and Mr. Selwyn Lloyd, Romanians living in Britain and in the Commonwealth have and will try to make public. Unless that is, because of the detente (appeasement) policy, which you support, their will again be the "vox clamantis in deserto".

HORIA GEORGESCU,
36a Arterberry Road, SW20,
August 31.

Football hooligans

From Mr H. B. Collett

Sir, I would seriously recommend to British Railways the use of their cattle trucks for transporting football fans.

Yours faithfully,
H. B. COLLETT,
Richmond Farmhouse,
Orford,
Wendbridge,
Suffolk
September 2.

Exploitation of developing countries

From Mr David Green

Sir, It would be easier to share your view (September 3) that Dr. Kissinger's United Nations message marked a new enlightenment towards the undeveloped world, had your interpretation not been accompanied by a report that the United States Treasury Secretary had warned the OPEC countries not to go ahead with planned oil price increases.

General world commodity prices rose from 1970 onwards; but the industrial nations price increases for manufactured products certainly kept pace with these increases. The OPEC countries, while, perhaps necessarily, having to wait for the political opportunity of the Arab-Israeli war in 1973, did little more with their subsequent increases than to restore purchasing power that had been eroded over many years.

Since 1973 there has been a rising inflation in manufactured prices and all components of industrial societies have attempted to claw back the wealth lost to them by the rise in commodities. Nationally as internationally, the most powerful have been the most successful in the endeavour. The weak are now represented by more millions at starvation level in the undeveloped world; more millions at subsistence level in the developing world; more millions unemployed in the industrial world. But the most powerful remain the richest and the least affected.

Having eroded, through price inflation of exports, the value to the producers of the 1970-1974 increases in commodity prices, the leading industrial nations are now poised for a further lunatic period of growth in which they hope to continue to deliver an increasing material standard to their people. They can only do this, however, if they can hold

the primary producers to the new plateau of prices from which, with a changed set of figures, they can take off as before. The public warnings from the United States and the, no doubt, silent warnings from the Soviet Union, suggest that we are entering a new, far more dangerous, cruel and crude phase where those with power will deploy it ruthlessly to hold back commodity prices in the interest of their own standard of living.

There is nothing new in this. The United Kingdom, through the superficial benevolence of the British Empire, very successfully founded the standard of living we can no longer afford on the same premise. What is new, however, is that the ever expanding population of the world has brought us to the point where, in absolute terms, there are no longer the resources to sustain world populations at their accustomed level.

From now on each new burst of growth by those able to sustain it (and Britain is already one of those which has to acknowledge that it cannot make the necessary preparations) will involve a harder collision with the ceiling of available resources; a harsher recoil; and more and more casualties. In the United Kingdom we are well placed to be a leading casualty if only because our resources vulnerability implies a more savage impact on us than on most nations. It is in time that we mounted a more coherent attack upon the menacing fantasy of the possibility of infinite growth within a finite environment.

Yours faithfully,
DAVID GREEN,
Rhyd yr Harding,
Castle Morris,
near Haverfordwest,
Pembrokeshire,
September 3.

Testing psychiatric drugs

From Mr P. D. Rohde

Sir, I am very grateful to Dr. William Sargent for his infectious enthusiasm when he introduced me to psychiatry some 17 years ago. But it may be an excess of this enthusiasm which led him to write such a misleading, perhaps dangerous, article on drug trials in psychiatry (*The Times*, August 29).

In essence he is advocating that clinical opinion alone should decide which drugs are to be used. But whose opinion? For there are many.

It may also be over-enthusiasm for his own point of view which led him to dismiss in such a caustic manner one of the main techniques used to sort fact from opinion—the controlled trial. But even over-enthusiasm cannot excuse the inaccuracy of his reporting of the MRC trial of Fluphenazine Decanoate (Modectate) and his total disregard of the case for carrying out such a trial.

Drugs do have side-effects. (At the time when I was having my apprenticeship with Dr. Sargent there were many enthusiastic advocates of a new drug called Thalidomide.) To be sure that any

drug is worth its side-effects it should be compared with either known standard or a placebo in a controlled trial, thus eliminating as much bias from observers as possible. Only then can it be said with reasonable certainty that the improvement is due to the drug and the drug alone.

I was involved in the MRC study referred to by Dr. Sargent. The decision to use an injected placebo was a difficult one, arrived at in conjunction with the Hospital Ethical Committee and the Medical Research Council, and made because any other control would have introduced serious bias. The criterion used was "Will this research benefit those patients actually involved in the study?" There were no "Belsen-like happenings", no "old asylums", and no "suicides".

If advances are to continue without disasters we must have both clinical opinions and later confirmation by painstaking controlled clinical trials.

Yours faithfully,
PETER D. ROHDE,
Consultant Psychiatrist,
St Marys Abbot's Hospital,
Marlow Road, WS.

U S and Middle East

From Mr William Wisely

Sir, Europeans who pontificate upon the Arab-Israeli disputes in the Middle East have a rare knack for inflicting American readers. Your editorial "Is It War or Peace?" (September 2) takes the most recent prize for faulty vision.

Neither I, nor anyone in my family, nor any of my Ohio neighbours, nor any American I have ever known, has ever had any responsibility whatever for Central European and Middle Eastern atrocities past, present and future. Most certainly we shall never be willing to accept any responsibilities of that kind.

Yet ever since 1947, when Harry Truman succumbed to the pleas of his weeping old haberdashery buddy and agreed to listen to Chaim Weizmann's schemes for founding Israel, there have been concerted European efforts to foment us the further responsibility and cost of defending that far-distant and alien parish.

You and like-minded Europeans have gone too far. This past year the attempts to stampede the United States Congress into formal and explicit support of Israel have been a present danger to the welfare and security of the United States, now and in future. Europeans, Israelis and Arabs would be well

advised to stop seeking promises from President Ford and the irresponsible Henry Kissinger that 97 per cent of the American people will not be willing to keep. Traditional American tolerance and generosity have already been too grossly abused.

The mere suggestion of a "Pax Americana" in the Middle East is therefore prima facie an absurdity. We pay 25 per cent of the bills of the United Nations to enable it to keep the peace. If it fails to do so in the Middle East, the full responsibility and costs must revert to Europeans, where they rightfully belong.

Sincerely yours,
WILLIAM WISELEY,
9 Ravenscroft Road,
Hendon-on-Thames,
Oxfordshire,
September 2.

From Professor Arthur Goodhart, OC
Sir, We must not forget the debt that is owed to former President Nixon. He appointed Henry Kissinger as his Secretary of State and together they came to the aid of Israel at a time of desperate crisis and helped to bring peace to the Middle East.

Yours, etc.,
ARTHUR GOODHART,
University College,
Oxford,
September 2.

Nocturnal bells

From Mr B. M. Nicholson

Sir, On returning yesterday from abroad in this ostensibly quiet little Chelsea street I was greeted, yet again, by a frenetic burglar alarm. I rang the police; yes they knew but could see their way to do nothing, and expected it to go on all night. I rang Bannhams, whose name was on it, and was told that they could silence it only on direct instructions from the owner (who was understood to be sailing off the Isle of Wight).

Of the so-called keyholders one, without a key and the other refused to function. Having thus drawn blanks from all those who might be thought to have some responsibility in the matter (other than the local authorities, for whom I see Mr. Johnson's letter of August 15) I consulted with a number of householders in this street and round the corner in Oakley Street. All were of the opinion that we could not be expected to tolerate this gross infliction on our own rights. With the aid of some of them and of a less faithful instrument of environmental protection, namely a claw-hammer, it took only two minutes to restore the peace of the neighbourhood.

This device is, I believe, unique in being specifically and solely designed to discriminate incessantly a horrible noise, and not merely making it incidentally to some other use.

I want, Mr. John Cornhill, to put on notice, but I am much troubled by the appalling

tone of his letter on August 21. Who are these "conflicting interests" and "parties" who presume to go on wrecking our environment in this way? What rights have they compared with ours? Perhaps it may help to clear their minds and to speed their dragging steps if some MP successful in the next ballot for Private Members Bills will introduce one on the following lines:

(1) No one may lawfully install a device for the prolonged and acute disturbance of his neighbours' quiet.

(2) All burglar alarms must have an effective automatic time switch cutting them off after 10 minutes.

(3) No insurance company may lawfully demand installation of an external noise alarm as a condition of insurance.

(4) No firm installing such devices shall do so without reserving a right to silence them at the request of the police.

(5) The police powers to intervene promptly and effectively in case of default on any premises shall be clarified.

(6) The role of these devices in crime prevention shall be regularly studied and research promoted on acceptable alternatives.

I hope that, failing specific and adequate assurance of other remedies in the very near future, others will take their own steps to put an end to this intrusion on all our peace.

Yours faithfully,
B. M. NICHOLSON,
11 Upper Cheyne Row,
SW1.

Yorkshire Dales National Park

From Mr John Cadbury and others

Sir, On August 21 the Yorkshire Dales National Park Committee approved a resolution expressing concern that the North Yorkshire County Council had "failed to provide sufficient autonomy for the Yorkshire Dales National Park either as intended by the Local Government Act 1972 or as necessary fully to discharge its statutory functions". The Park Committee, whose status is only that of a committee of the County Council, went on to express their desire to be reconstituted as an independent planning board under section 1 of the Town and Country Planning Act 1971.

This remarkable development was precipitated by the County Council's refusal to allow the Park Committee to purchase the carting centre at Wharfedale Manor from the Scout Association, even though a large part of the cost would have been met by the Countryside Commission. In addition, the County Council has prevented the committee from employing a much-needed footpath officer. The Chairman of the committee, Mr Keith Lockyer, has said that this has caused them acute embarrassment because they have recently taken over responsibility for footpaths in the park from the Highways Committee. The Council has also frustrated the Committee's attempt to establish a warden service that will provide both an adequate service for the Park and a money career structure with reasonable salaries for the wardens themselves.

Eight of the 10 national parks in England and Wales are at present run by committees of county councils—only two (the Peak and the Lakes) are administered by independent planning boards. Few would dispute that it is in these two parks where most progress has been made in trying to cope with the growing problems and conflicts which confront national park administrators and which were highlighted in the Sandford Report of 1974.

The Yorkshire Dales Park Committee's request to be reconstituted as a board therefore stems from its desire to match the standards set in the Peak District and in the Lake District. It would be quite wrong for the Committee to continue to be frustrated in its efforts to raise the standard of national park administration.

The County Council's determination to limit its already modest expenditure on the National Park is surely misguided. The Sandford Report emphasised the financial neglect which national parks have suffered for many years. The total amount of money being spent on all national parks is still barely more than £3m per annum, and the Report drew attention to the difference between this and the amounts spent by the Sports Council and local authorities on sport and recreation (about £25m) and by the Arts Council (about £15).

However, the basic issue is not a financial one but is about whether national parks should be run by independent planning boards, or whether they should remain under the control of local authorities. The Yorkshire Dales case suggests that a forceful and imaginative national park authority cannot expect to operate effectively within the framework of a local authority committee structure. If the Government really want the Yorkshire Dales to succeed as a national park, they should accede to the request of the people who are trying to run it and replace the Park Committee by an independent planning board.

Yours sincerely,
JOHN CADBURY (President, Youth Hostels Association, England and Wales),
FOOT (President, Commons, Open Spaces and Footpaths Preservation Society),
GERALD HAYTHORNTWAITE (Chairman, Standing Committee on National Parks),
HENLEY (Chairman, Council for the Protection of Rural England),
GERALD MCCURIE (President, Ramblers Association),
FRANCIS RITCHIE,
TOM STEPHENSON (President, Pennine Way Council),
Crawford Mews,
York Street, W1,
September 2.

Selection of bishops

From Canon Eric James

Sir, The Church of England now proudly claims it has government by Synod. Who, then, appointed the new Bishop of Bristol? Not Synod. That's for sure. But if power of appointment is one of the chief instruments of government, what becomes of the claim?

"Who appointed the Archbishop of Canterbury?" will one day make even more interesting reading. But we shall have to wait. The Establishment doesn't allow that kind of thing to be read except to children's children—not, certainly, to the children of the elected Synod.

Yours faithfully,
ERIC JAMES,
Canon Missioner of St Albans, Holwell Close,
43 Holwell Hill,
St Albans,
Hertfordshire,
September 2.

From Mr Raymond Turner

Sir, I have noted from your column that a bishop was to assist at the selection of a Miss Great Britain. And I have been following, with all the interest it has, engendered, the intriguing problem encountered in the matter of the selection of bishops, as aired in your correspondence pages.

It occurs to me that Miss Great Britain might possibly be persuaded to reciprocate.

Yours faithfully,
R. TURNER,
57 Room Park,
Teddington,
Middlesex,
September 3.

ion of green belt

Dr Stuart Bennett

How much longer can this tolerate the erosion of green while used industrial land? A multi-national company at present applying for permission for an industrial plant on some 230 acres of green belt land on the edge of a residential area at Ley.

As chosen this site as being for its requirements and is, additionally, refusing even to consider sites on partially devel-

oped industrial estates in the area. As an engineer I can readily understand the attraction of this chosen site to the company's engineers and professional advisers, but should convenience and low development costs be the only criteria?

Local authorities may be effective in regulating the use of land by small companies, but can they control the plants? Surely central government owes a duty to the citizen to prevent the exploitation of a community's fear of unemployment? Without central support how can a local community resist the pres-

sure to give up amenity land, fearing that if it does resist it may lose both the development and the jobs?

May I appeal for action from central government to prevent this small scale erosion of green belt land: the few acres involved may not be of national significance, but they are of importance to the daily lives of the local community.

Yours faithfully,
STUART BENNETT,
13 Stoneychurch View,
Annesley,
Nottingham
September 1.

THE TIMES

BUSINESS NEWS

Who says money
can't buy
happiness?

Don Zoff,
World's most exquisite
cream sherry.

Government ends lane makers' opes of changes in nationalization

Arthur Reed
Correspondent

Leaders of the British aircraft manufacturing industry have been told with alarm that the Government intends to adhere to its plans for nationalization, that the proposals will not be watered down, as the industry had hoped.

The Bill, which will give the Government power to take over the assets of the British Aircraft Corporation, Hawker Siddeley and Scottish Aviation, is expected to be introduced at the start of the next session of Parliament.

It will be in the same form as its main clauses as that which failed to find time in the session.

During the day for the industry, now forecast for July in the current calendar, instead of July as originally intended, signs of the Government's unwillingness to compromise on its plans for nationalization were made clear. Ministers urged industry leaders to move out of their period of doubt and plan confidently for the future.

One of the few areas of agreement between both sides was that Britain no longer had the financial and technological strength to "go it alone" on big new aerospace projects, whether they involved engines, or civil or military aircraft.

But the controversy now is whether the partners which the future nationalized British aerospace will undoubtedly be in the United States.

ICI cheers City, but BP's income tumbles

By Our Financial Staff

Share prices on the London Stock Exchange went sharply up after ICI disclosed profits for the second quarter of £78m. Although down from £132m in the comparable period, the figure was well above repeat predictions in the City.

The shares rose on 13p to 280p, and gains in other major stocks lifted the FT index by 9.4 to 321.

But shares in BP, 2p up at 40p, were nervous after news that second quarter profits were down from £92m to £75m.

With petrol profits for the season a better second quarter than those of the first three months, ICI reported a "major well aware" that the profitability of the chemical majors is on the decline.

Sales for the quarter, at £754m, were slightly lower than for the corresponding period last year, reflecting the pressure of low demand on prices as well as on volume.

Profit, created by world economic recession, which has been particularly affected by the oil price rise, has been mitigated during the first half of this year by a very good performance in the seasonally buoyant fertilizer division. Profit in the fertilizer division has been rising steadily.

The interim dividend has been raised by the maximum permitted over the full year, and the board points out that there will be no increase in the dividend in the first half of 1976.

The group is pressing ahead with its capital spending plans, even though this year's expenditure—put at £365m in the last annual report—will outstrip retentions and necessitate some erosion of the strong cash position.

On adjustment for inflation by use of the present purchasing power indices, the half time profit of £158m—which compares with an historic £252m in the first half of 1974—would be reduced by approximately £130m.

ICI's earnings net income in the second quarter of 1975 was only £37.3m, against £92.4m in the second quarter of 1974, making a total of £79.5m in the first half of this year compared with £362.1m.

However, the 1974 figures were distorted by huge stock profits, totalling £175m in the first half of that year. Excluding these non-recurring special profits, the group's first half net income in 1974 was £207m.

Even so, the latest net income figure shows a continuing fall over a period not affected by stock profits. Net income in the first quarter of 1975 was £42.2m, which in itself was a 22 per cent fall on the £54m achieved in the final quarter of 1974.

Meanwhile BP's total sales of crude oil and refined products declined by 25 per cent to £2.1 billion in the second quarter of 1975 compared with 1974, reflecting the continuing drop in international demand for oil.

Financial Editor, page 21

Central Bank dilemma could thwart gold plan

From Frank Vogel
Washington, Sept 4

International monetary officials said today it would be extremely difficult for the International Monetary Fund to put into practice the gold agreement reached by finance ministers last Sunday.

They said IMF's executive board now faced the highly complex task of devising a gold sales policy and that, even when this strategy was agreed, there would be no guarantee it would work, because there was still grave doubt as to whether central banks would be willing to buy the IMF's gold at a market-related price.

The officials said the selling strategy must aim at producing the maximum profit for the IMF, while not fixing a price or arranging to buy the IMF's gold in the monetary system.

They said that to ensure that a price was not fixed and that gold's reserves role did not rise, the IMF should sell its gold in the open market, but this could not be easily done and it would ensure a sharp decline in the market price, thus damaging the aim of selling the gold to increase development aid.

At best, the officials stated, the IMF's gold would reach the markets in very small chunks over a very long period of time. They added that it was practically certain the IMF would not sell any of its gold this year.

Some officials suggested that the sales, even if small and infrequent, would depress market prices, but other officials said that South Africa and the United States Treasury could easily coordinate their selling policies with the IMF to support free market prices.

Last Sunday the finance ministers agreed that 25.5 million ounces of the IMF's gold holdings should be sold to generate more funds for the developing countries, with another 25.5 million ounces restricted to IMF member countries.

It has been agreed that the

restoration will largely take place once the first 25.5 million ounces has been sold for development aid purposes, and these later sales will effectively start only when the new IMF trust fund has been established.

This is scheduled to happen after the IMF's ministerial meeting in Jamaica in January.

In selling the gold for development aid purposes the major central banks will be asked to pay into the fund for their holdings of gold in the IMF the difference between the existing official price of about \$42 an ounce and the free market price.

Officials pointed out that central banks would be reluctant to make up the difference out of their own reserves, because this would involve a substantial transfer of hard currency to the IMF, although the books of the central banks would show no overall decline in the value of reserves as the gold would be valued at the free market price.

If the central banks do not wish to make up the difference between the official and market price themselves, then they will have to sell the gold to the markets.

But officials pointed out that central banks would be unwilling to do this in large volume as such sales were bound to depress market gold prices and so effectively reduce the value of the gold they held in their reserves.

This dilemma for the central banks could thwart the IMF's new gold plan.

Some officials said central banks would willingly part with hard cash for gold only at times of great international economic and currency uncertainty, but the IMF explicitly intends to reduce gold's official reserve role and hence it must avoid in its selling strategy the accumulation of gold reserves by central banks.

Another major problem which could delay the start of the IMF's gold plans indefinitely

centres on the developing countries.

The new agreement involves that portion of gold held for these countries to be repaid to them at the free market price, while the profits of gold sales on the gold held by developed countries goes into the trust fund, for eventual use by developing countries.

IMF officials pointed out that a row could well develop over defining which countries might be considered to be developing and which might be seen as developed.

They said the argument was likely to concern some of the Latin American countries and some gas-producing countries, which would want their gold shares in the IMF repaid directly at the market price, rather than having their share placed in the trust fund.

This argument, academic as it may appear, could pose great difficulties for the IMF's executive board and eventually force changes in the new gold agreement.

Poland signs 10-year cooperation pact

By David Young

Britain and Poland yesterday signed a 10-year programme of cooperation which implements the long-term agreement for the development of economic, industrial, scientific and technical cooperation concluded in March, 1973.

The agreement, the result of four days of talks between Mr. Basil Greville, Secretary of State for Trade, and Mr. Jerzy Olawski, Polish Minister for Trade and Shipping, identifies specific sectors for cooperation. It is hoped it will result in doubling bilateral trade in the coming years.

Mr. Olawski yesterday said that his government was already considering the renewal of one important contract with a British company and investigating other trade possibilities.

More than 100 British companies cooperated in the formulation of the agreement and it was also scrutinized by the

various Polish trade organizations.

It has been drawn up to serve as a guide to the organizations and companies in the two countries by indicating practical ways in which the 1973 long-term agreement can be to their mutual advantage.

Both governments feel that particularly good prospects for the development of cooperation exist in the engineering industry; raw materials, mining and power; in agriculture, food and food processing; in heavy industry, chemicals and further fields including building materials and synthetic textiles.

Specific areas of cooperation mentioned are joint research into the use of waste from coal mines as a building material, the development of high speed rail vehicles, water and air pollution control and disposal of agricultural and industrial waste.

Boilermakers assail BSC policy

By Paul Roudledge

Steel's deepening financial crisis yesterday prompted the Trades Union Congress to demand that no redundancies or closures in the industry should be implemented until every effort had been made to provide alternative jobs near by.

Delegates accepted without dissent a resolution from the Boilermakers which admitted the need for a modernized steel industry but condemned the Government and the British Steel Corporation for not doing enough to cushion the impact of modernization.

Mr. Len Hancock, the Boilermakers' leader, said steelworks usually employed a large number of people and were often the mainstay of the local community's economy, so when they closed they caused serious problems for the whole locality.

"The skills of many of the workers in these plants are peculiar to the steel industry and are of very low value outside," he said.

While accepting the necessity for change, without which the industry would be condemned to inherit an obsolete technology, Mr. Hancock argued that before closures take place every



Mr. William Sirs yesterday: serious union reservations.

plants, building factories and providing roads as an attraction for prospective manufacturers.

Mr. William Sirs, general secretary of the Iron and Steel Trades Confederation, intervened in discussion of the general council's report on the steel industry to give a warning that unless workers were consulted about reorganization, they would not accept it. He voiced serious reservations about the Boilermakers' resolution, which, he said, clearly did not go far enough towards satisfying the largest union in the industry.

"We cannot accept reorganization unless we have an involvement," Mr. Sirs said. "This is in line with the TUC policy on participation. We intend not only to take part in closures but also in plans for the future."

Ebbw Vale walk-out: Tinsplai production at the Ebbw Vale steel works in South Wales came to a halt yesterday when nearly 600 men walked out in protest over a new shift agreement. Meeting between union representatives and management failed to settle the dispute involving men in the finishing department.

Hutchison creditor seeks £9m

By Our Financial Staff

A Hutchison International shareholders' meeting yesterday voted in favour of the proposals under which Hongkong & Shanghai Banking Corporation would acquire HK\$150m (about £14m) of the company.

It was said that a British creditor pressing for repayment of £9.9m (about £9m) loan.

P. W. Wight, a director of Hutchison, told shareholders at an extraordinary meeting that the creditor, who was not named, had made it clear it did press for immediate repayment of the loan if the Hongkong Bank's offer was not met.

It said that HK\$250m would be needed between now and the end. Hutchison has already taken another creditor claiming payment of £2.4m in connection with the taking of Altrac, a company proposal to raise Hutchison's authorized capital from \$500m to HK\$650m, as a prelude to a rights issue to all shareholders on the terms as those of which the bank was subscribing, was noted after the Hongkong and its nominees voted in it.

A show of hands vote the deal was carried and Sir Les Clague, who said he had to stay on as chairman of Hutchison, described the deal as "disappointing".

Electrical Engineers to leave CEI

By Derek Harris

The Institution of Electrical Engineers, one of the big three among the organizations representing chartered engineers, last night served notice of resignation from the Council of Engineering Institutions.

The CEI, which represents 15 chartered engineering institutions, is in the process of a reorganization and, for over a year, will lose the IEE and its £30,000 annual subscription income at the end of 1975.

This decision, taken at the IEE's annual meeting in Edinburgh by an overwhelming majority, throws the chartered "club" into fresh disarray only a few weeks after compromise proposals on reorganization were finally agreed by a majority of CEI members, although without IEE support.

After last night's decision, against which only a few members voted out of a total attendance of about 70, the IEE said that it had no confidence in the success of the proposed CEI restructuring.

Auxiliary in Whitehall at this development is expected because of the need for a united profession in face of imminent European negotiations on various professional matters.

It is also likely to strengthen the case for a government inquiry into the organization of the engineering profession.

This has already been urged by Mr. Arthur Palmer, MP for Bristol North-east and chairman of the Commons Select Committee on Science and Technology.

Mr. Palmer said last night that the IEE decision made such an inquiry more urgent.

Another problem which could face the CEI is that the IEE's decision might prompt at least one other member organization to follow the IEE out of the "club".

This possibility was rejected last night by Professor John Coates, chairman of the CEI.

Commenting on the decision, he said: "Sad though it would be if the IEE did withdraw, the presidents of all CEI's other constituent member institutions have assured me that their institutions have no intention of following suit."

He said the other presidents had also promised the CEI their full support in carrying out the proposed restructuring.

Professor Coates, himself a past president of IEE, added that the CEI reorganization plans would proceed on the lines finally agreed at its meeting on July 24.

£125m contract for Burmah

A contract worth more than £125m has been placed by the Polish state import-export company, Polimex-Cakop, with Petrocarbon Developments, a subsidiary of the Burmah Group, for the construction of a PVC manufacturing works at Wloclawek, north-west of Warsaw.

This is the first full turnkey project in Eastern Europe to be won by a British company and it is believed to be the largest United Kingdom export contract ever negotiated for a PVC plant equipment and overall site management.

Mr. Stanley Wilson, managing director of the Burmah Group, and Mr. Z. Markowski, director general of Polimex, signed the contract yesterday.

Mr. Peter Shore, Secretary of State for Trade and Mr. J. Olawski, the Polish Minister for Trade and Shipping, witnessed the signing.

The contract will take about three years to complete and will eventually produce 20,000 tons of PVC a year as well as large quantities of auxiliary goods and services.

Petrocarbon will be the main contractor and will provide overall project management, including the design and procurement of the off-site equipment and procurement of a PVC plant equipment and overall site management.

Mr. Stanley Wilson, managing director of the Burmah Group, said: "This is a major contract by any standards and is of great importance not only to the companies directly involved but to a great number of equipment suppliers over a wide area of British industry."

Net losses at Edward Bates top £15m

By Margaret Walters

Edward Bates, the merchant bank which recently acquired substantial Arab shareholders, disclosed heavy losses in the wake of last year's secondary banking crisis when it published its preliminary results yesterday.

Arrangements are in hand to dispose of the two companies to Mr. Dennis Barkby, a former director of Bates, who announced his resignation last week. Mr. Barkby came into the bank when his Montclair Securities group, as it was then called, merged with the bank in 1970.

Provisions against property loans and investments killed

amounted to over £1m, against £3m at the halfway stage. They include the £2m loss on Welfare, Bates' former life insurance company which was taken over by London & Manchester Assurance last year.

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Provisions against property loans and investments killed

Britain escapes severe EEC steel curbs

From David Cross
Brussels, Sept 4

Steel producers in the European Economic Community are expected to aim for an average cutback of nearly 24 per cent in their output in the final quarter of the year, compared with the same period in 1974.

The cuts would fall most heavily on producers in West Germany and the Benelux countries. By contrast, British production would be trimmed by only about half the EEC average.

The gloomy picture of a continuing decline in Community steel production, emerged after two days of talks in Brussels among officials of the nine European

Commission and steel producers' and users' representatives. The meetings were designed to help the Community work out voluntary restrictions over the coming months.

The new figures, prepared by steel experts in the Commission, envisage a 3.4 per cent cutback in the Netherlands, 28.3 per cent in West Germany, and 26.7 per cent in France, and about 25 per cent in Belgium and Luxembourg. Output in Britain and Italy would be reduced by 12.4 and 12.5 per cent respectively.

Suggested cuts for the final quarter are considerably

greater than those planned for the current period. Between June and September, say makers, output is to be reduced by an average 15.4 per cent, compared with the cutback of last year. The first four quarters of last year, the cuts range from a 2.2 per cent in Britain to 15.4 per cent in West Germany.

The Commission's suggested cutbacks for the first quarter, which still bear the influence of the informal arrangements, are in line with the figures in the Community's steel production, emerged after two days of talks in Brussels among officials of the nine European

Local-Ferranti breakthrough instruments

By Kenneth Owen
Technology Correspondent

Local-Ferranti, a technological breakthrough in instruments, is launching a new range of integrated circuit components which are expected to be the most advanced of their type in the world.

The Ferranti large-scale integrated circuit (LSI) circuit, the equivalent of several individual components, is the company's first LSI known as collector isolation (CDI). It is said to be the first LSI capable of counting at frequencies of more than 10 MHz.

Alfa Romeo workers defy on return to work

By Joan Earle
Sept 4

Workers in Alfa Romeo's two plants held meetings to discuss further industrial action following the breakdown of negotiations in Rome last night by Signor Mario Toros, Minister of Labour.

On Monday the management of the state-owned car factory and the unions held in dispute over the timing after the summer shutdown, management, alleging

How the markets moved

Equities rose sharply after good interim figures from ICI. Gilt-edged securities were firmer. Sterling lost 35 pips to \$2.1095. The effective devaluation rate was 27.6 per cent.

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THE POUND

Bank	Buy	Sell
Australia \$	1.70	1.65
Austria Sch	39.50	37.0
Belgium Fr	85.00	82.0
Canada \$	72.00	70.0
Denmark Kr	12.90	12.50
Finland Mk	8.15	7.90
France Fr	9.50	9.20
Germany DM	5.35	5.35
Greece Dr	69.50	67.50
Hong Kong \$	10.45	10.45
Italy Lr	1515.00	1465.00
Japan Yu	650.00	625.00
Netherlands Gld	360.00	350.00
Norway Kr	11.90	11.55
Portugal Esc	56.50	54.50
S Africa Rd	1.80	1.75
Spain Pes	126.00	121.00
Sweden Kr	9.45	9.15
Switzerland Fr	5.75	5.55
US \$	2.15	2.10
Yugoslavia Dnr	39.75	3.75

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Rothmans International Limited

In his Statement to Shareholders Lord Pritchard, Chairman of Rothmans International Limited, made the following points:-

- ★ Against a continued background of difficult economic conditions our performance in the first four months of the current financial year has been very satisfactory.
- ★ Exports have remained buoyant and have again set new record levels.
- ★ Price adjustments to our products in a number of markets have relieved the pressures on our profit margins and to date the recovery in profits anticipated is being realised.
- ★ In the absence of any adverse influences beyond our control, prospects of the improvement in earnings continuing during the remainder of the current financial year are good.
- ★ I remain confident that the wide spread of our interests in Europe and other important markets of the world and the strength of our combined resources will ensure our continued progress.

confer
y threat

REPORT OF THE INFLATION ACCOUNTING COMMITTEE

Sandilands emphasizes need to clarify effects of rising costs and prices on companies' financial position

When costs and prices are rising as rapidly as they have in recent years, companies must ensure that their accounts reflect the effect of such increases on their financial position and results, for the benefit of one using the accounts.

Companies themselves also need to be aware of the effects of such increases on their position in order that management may take appropriate action. However, the realization has not in recent years that conventional accounting practices do not lead to the effects of increases in costs and prices being shown in a satisfactory way in companies' accounts.

Measurement of inflation

Inflation is a practical, everyday phenomenon which means a persistent rise in the prices of goods and services, or conversely a persistent fall in the purchasing power of money. Neither inflation nor deflation is a phenomenon affecting all individuals, companies and other entities in the same way. The rate will vary for different individuals, companies and other entities according to the selection of goods and services which they use. A company's accounts should show the effect of inflation on that particular company's operations.

Company's gains (or losses) conveniently are classified into three major categories: (i) holding gain (or loss) is the difference between the value of an asset at a given point of time and the value of the asset at the time of disposal. Such gains may be either realized or unrealized. (ii) operating gain (or loss) is the difference between the value of an asset at the time of disposal and the value of the asset at the time of acquisition. (iii) extraordinary gain (or loss) is the difference between the value of an asset at the time of disposal and the value of the asset at the time of acquisition, but which is not due to inflation. During a period of inflation, the "value" of assets,

WHAT HAPPENS TO PROFITS

	Pre-tax profits: £m	Historic	CPP	CCA*
Assoc Portland Cement	24	34	15	
BOC Int	35	35	-3	
Barclays Bank	162	106	163	
Bass Charrington	50	74	33	
Boots	68	58	47	
Coats Patons	47	34	20	
Courtaulds	125	98	72	
Distillers	71	70	41	
Grand Metropolitan	33	101	5	
GUS	89	53	65	
ICI	481	338	136	
Imperial Group	73	96	6	
Pilkington Bros	31	31	20	
P & O	48	64	20	
Sears	87	53	16	
Thorn	35	50	30	
Unilever	333	248	108	

* Historic method—as now used.
CPP—Current Purchasing Power method as recommended by the Accounting profession.
CCA—Sandilands recommendations.

Source: Phillips & Drew

measured in terms of monetary units (pounds), rises and as a result most companies experience an increase in their holding gains. When the rate of inflation is high, the holding gains made by companies during the life of a typical asset may be very high, and are an important part of a company's overall affairs.

However, holding gains are different in character from operating gains and, while information on both types of gain is useful, they should be shown separately in accounts in order to give an overall true and fair view of a company's position.

Historic cost accounting

The basis of conventional accounting practice is historic cost accounting. The main features of this basis of accounting are that assets and liabilities are shown in the balance sheet at cost (less depreciation where appropriate) and the profit and loss account shows as profit the amounts realised from a company's output less the costs incurred in generating those amounts.

This objective discipline of accounting in terms of costs has proved of great value in the past and still retains its usefulness in all circumstances where it is desired to measure a company's performance in terms of costs incurred, and when prices are stable. However, during a period of high inflation the usefulness of historic cost accounts for many purposes is reduced for two main reasons.

First, historic cost accounts in their pure form do not recognize unrealized holding gains. Because assets are shown in the accounts at cost (less depreciation where appropriate) the unrealized holding gains arising from the increase in monetary value of assets due to inflation are not shown in the accounts. This is a serious omission which withholds useful information from shareholders, employees, management and other users of accounts on a type of gain which is increasingly important to companies during a time of inflation.

A large number of companies have already recognised this

and are following the practice of showing assets (particularly property assets) at a "valuation" in their accounts. Up to now, however, there has been no consistency of treatment of such valuations with the result that it has become increasingly difficult to compare the accounts of different companies in a useful and meaningful way.

Secondly, the conventions of historic cost accounting generally result in realized holding gains being included together with operating gains as "profit for the year". When holding gains are large because of inflation, this feature of historic cost accounts reduces their usefulness and they fail to give information required by users of accounts. The problem arises under the two headings of depreciation and stock appreciation.

(i) DEPRECIATION

Under historic cost accounting depreciation is calculated with the aim of spreading the cost of an asset over its useful life. This is not affected by inflation, since the amount paid by a company for an asset cannot be affected by inflation subsequent to the purchase. However, if owing to inflation the monetary value of the asset increases subsequent to its purchase, a conventional historic cost depreciation provision will not fully reflect the value of the asset consumed during the accounting year.

(ii) STOCK APPRECIATION

During a period of high inflation, the monetary value of stocks held may increase significantly while they are being processed. The conventional historic cost accounting lead to the unrealized part of this holding gain (known as "stock appreciation") being included in profit for the year. It is estimated that in 1974 nearly half the declared profits of companies were due to stock appreciation.

Where a company needs to maintain its stocks at a fairly constant level, any holding gain realized on stock is unlikely to be available for distribution and it is potentially misleading to users of accounts to class

such a gain as profit for the year.

Current purchasing power method

The professional accounting bodies of the United Kingdom and Ireland have recommended that a supplementary statement should be attached to the basic accounts of companies showing the figures in the basic accounts converted into figures of current purchasing power (CPP) at the date of account, using the movement of the retail price index (RPI) as an indicator of changes in the purchasing power of money.

This recommendation has performed a valuable service in the short-term in making companies more aware than previously that inflation can have significant effects on their results. In the long-term, the CPP method does not remedy the deficiencies of historic cost accounting and the Committee does not consider that it provides a long-term solution to the problem of accounting for inflation.

The use of the RPI which is a wide-ranging index of prices of goods and services purchased by domestic consumers, will in many cases give a misleading indication of the effects of inflation on individual companies, which should be the main function of inflation accounting.

The CPP method also introduces a new set of problems by expressing company accounts in a new unit of measurement—units of current purchasing power—instead of in monetary units (pounds). The unit of current purchasing power is likely to be a concept difficult for most users of accounts to understand. Moreover, the proposal that CPP statements should be supplementary to the basic accounts is likely to weaken their impact.

Current Cost Accounting

The committee recommends that an accounting system to be known as Current Cost Accounting should in future become the basis of companies' published accounts. The principal features of this system are:

(i) The accounts will continue as at present to be drawn up in terms of monetary units (pounds).
(ii) The accounts should show the "value to the business" of the company's assets at the balance sheet date.

(iii) Profit for the year should consist of the company's operating gains, and should exclude all holding gains. Extraordinary gains may be shown as profit but should be distinguished from operating gains.
(iv) Accounts drawn up in this way should become the basic published accounts of companies. In addition the net book value of assets and liabilities at the year end on a historic cost basis should be shown in notes to the accounts.

The committee does not recommend that CPP statements should be attached to Current Cost Accounts. Little useful additional information would be presented to a user of accounts by such a procedure.

*Provisional Statement of Standard Accounting Practice No 7 (SSAP7) issued May 1974.

and the effect would be to confuse him and to make the annual statements too complex.

Recommendations

(a) THE BALANCE SHEET

The "value to the business" of any asset owned by a company is the loss the company would suffer if it were deprived of the asset. In the great majority of cases this is equal to the amount it would cost the company to replace the asset in its existing condition. It will therefore normally be appropriate to value assets in the balance sheet by reference to their current replacement cost (allowing for depreciation where appropriate) taking any holding gains arising to a fixed asset revaluation reserve. Property assets should be independently valued at regular intervals.

In order to assist in the task of valuing other fixed assets the Government statistical service would make available a series of price indices for capital expenditure on plant and machinery specific to particular industries. Companies should use these indices, unless they have reason to believe that a more precise valuation can be achieved by other means.

In certain circumstances the "value to the business" of an asset will be equivalent to its net realizable value or "economic value" (defined in the Report as the discounted net present value of all future earnings expected to arise from possession of the asset).

(b) THE PROFIT AND LOSS ACCOUNT

The figure for depreciation in the profit and loss account should be a proportion of the figure of the "value to the business" of assets shown in the balance sheet, rather than a proportion of their cost.

Stock appreciation should be removed from the profit and loss account and taken to a reserve. This will be done by making a "cost of sales adjustment" in the profit and loss account, designed to ensure that the profit and loss account is debited with the "value to the business" of stock at the time it is consumed, not with its historic cost.

In the majority of cases a sufficiently precise adjustment may be calculated by charging the quantity of stock consumed at the average purchase price of stock during the year. In order to assist this calculation, the Government statistical service would make available a series of price indices for

stocks purchased by specific industries.

Summary of total gains

Companies should include in their accounts a summary statement of total gains for the year, showing separately their operating gains (current cost profit), extraordinary gains and holding gains (including stock appreciation).

Funds statement

Companies should include with their annual accounts a statement showing the sources and uses of funds in the year of account.

It is not practical to require that companies should publish forecasts of future cash flows with their accounts. However, directors should include in their annual reports a statement on the adequacy of the cash resources likely to become available to meet the company's requirements in the ensuing year.

Advantage of Current Cost Accounting

The principle of showing assets and liabilities at their "value to the business" will enable the comparative returns on capital employed of different companies to be assessed in a more useful way during a time of inflation than is possible with existing accounting conventions.

The clear separation in the accounts of holding, operating and extraordinary gains will lead to a clear distinction being made between gains which are due to a company's productive efforts and gains due to luck or skill in the timing of purchases of assets during a period of inflation.

Such a form of accounting presentation will enable the performance of companies to be assessed and compared in a more useful way than existing forms of accounting presentation which do not make such distinctions. It is also particularly important for internal management purposes during a period of inflation to have information clearly distinguishing operating and holding gains.

The principles of Current Cost Accounting are developed from accounting techniques already in use by a number of companies. For example, the "revaluation" of property assets in company accounts is already widespread and the principle underlying the "cost



Mr F. E. P. Sandilands, aged 61, chairman of the committee yesterday. He became chairman of the Commercial Union Assurance in 1972, and is a director of Finance for Industry and Trafalgar House Investment. The deputy chairman, Mr Philip Shelbourne, aged 51, is chairman and chief executive of Samuel Montagu and a director of the Midland Bank. Other members of the committee are: Lord Caldecote, aged 57, chairman of Delta Metal; Mr Donald Chilvers, FCA, ACMA, 46, senior partner of accountants Coopers and Lybrand; Lord Feather, 66, former general secretary of the TUC; Mr Michael Inwards, FCA, 36, financial controller of the P&O group; Sir Emmanuel Kaye, 60, founder of the Kaye Organization; Mr Jerry Leonard, 58, group treasurer of Royal Dutch/Shell Group; Mrs Caroline Miles, 46, whose posts have included being independent member on the Textile Council and special consultant to the President of the Board of Trade on the reorganization of the textile industry; Mr Michael Nolan, QC, 46, a member of the Bar Council; Professor Walter Reid, FCA, 51, Professor of Accounting and Control at the London Graduate School of Business Studies; Professor Ralph Turvey, 48, Visiting Professor of Economics at the London School of Economics since 1973.

of sales adjustment" forms the basis of the "base stock" method of accounting for stock. Current Cost Accounting is an evolutionary rather than a revolutionary system of accounting.

Monetary items

Much of the discussion on inflation accounting has involved the treatment of the "gains" arising from borrowing during a period of inflation, and the "loss" arising from holding cash or near cash (such as debentures). Such "gains" or "losses" arise in terms of "purchasing power", and are thus a central feature of the current purchasing power method. It is misleading to regard them as "gains" or "losses" in terms of monetary units (pounds).

Under current cost accounting such "gains" or "losses" are not included in profit. However, the effect on the shareholders' interest (whether beneficial or adverse) arising from a company financing its activities in part by borrowing during a period of inflation will show through in a current cost balance sheet. The reason for this is that any holding gains which arise on assets financed by borrowing will be credited to the shareholders' interest while the company's

Report of the Inflation Accounting Committee: Cmd 6325, HMSO £4.25

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(a) 123 William Street, New York; and (b) 29-06/13 Ditmars Boulevard, Astoria, New York.

HELLENIC CANADIAN TRUST

852 Jean Talon Street, West, Montreal 303

THE SOUTH AFRICAN BANK OF ATHENS LTD.

Johannesburg, Capetown, Durban and Pretoria

CONDENSED BALANCE SHEET

as at 31st December, 1974 (converted into sterling)

ASSETS	1974	1973
Available in Greece and abroad	501,525,948	493,748,511
Loans and advances	1,116,781,062	910,900,305
Investments	205,928,910	179,163,915
Other accounts	129,874,969	75,288,292
Guarantors and other contra accounts	515,531,343	465,224,816
	2,469,642,232	2,124,325,841
LIABILITIES	1974	1973
Share Capital and Reserves	121,488,134	117,618,990
Provision for depreciation of Assets	56,180,905	50,467,497
Deposits	1,610,697,344	1,395,938,085
Other accounts	163,744,506	95,076,453
Guarantees, etc.	515,531,343	465,224,816
	2,469,642,232	2,124,325,841
PROFIT AND LOSS ACCOUNT	1974	1973
General expenses and taxes	38,104,698	29,410,475
Provisions for contingencies	8,294,628	8,615,291
Distribution of profits: Dividend*	7,025,018	6,130,924
Reserves and other provisions	3,642,675	9,290,284
	57,067,019	53,446,974

* 1974: Dr. 220=£3.13 as at 31.12.74.

Leading article, page 15
Why it makes sense and
Financial Editor, page 21

The detailed recommendations

Important features of the committee's detailed proposals are: (a) An initial standard of Current Cost Accounting; (b) and buildings should be valued on the "existing use" basis, with the exception of certain "special" valuations. Valuations should be made at three to five year intervals for non-property companies and annually for property companies; (c) fixed assets other than buildings, ships and aircraft should be valued on the "existing use" basis, with the exception of certain "special" valuations. Valuations should be made at three to five year intervals for non-property companies and annually for property companies; (d) the Government Statistical Service should publish a series of price indices specific to various industries to provide a standard reference basis for estimating the current replacement price (=replacement of fixed assets).

(a) The initial standard should not require companies to depart from the existing bases on which stock is shown in the balance sheet, since in the majority of cases where a FIFO valuation is used this represents a sufficient approximation to the current value of the stock.
(d) No adjustment should be made to monetary assets in the balance sheet.
(e) In the profit and loss account stock consumed should be charged at its "value to the business". For companies who cannot ascertain the current cost of each sale at the time it is made the "value to the business" of the stock consumed should be determined by means of a "cost of sales

adjustment". The cost of sales adjustment should be determined by the averaging method.
(f) Depreciation should be provided on all assets except land. It should be calculated on the basis of the value to the business of the asset at the end of the year. Backlog depreciation should not be charged to the profit and loss account since the replacement of assets is financed by the Current Cost Accounting charge against revenue the value of assets consumed during the year and not to set aside sums to finance the replacement of assets.
(g) Current Cost Accounting should be applied to holding companies and to the consolidated accounts of groups including subsidiary or associated companies.

Dealing with the question of monetary items in accounts, the committee says that it is misleading to regard gains arising from borrowing during an inflationary period or losses arising from holding cash or near cash in terms of monetary units, although such gains or losses were a central feature of the CPP method.
Under CCA such gains or losses would not be included in profit, although the effect of borrowing to finance activities would show through so far as shareholders were concerned in a current cost balance sheet. The next step, provided the Government give the go-ahead for a steering group to be set up to prepare the initial standard of CCA for issue by the accountancy bodies by mid-1977.

Sound unit retained in the proposed reforms

used from page 1
statement to their main
the accountancy
said:
none the points which will
but evoke debate in the
of the committee
assure the effect of infla
in monetary assets and
ties, and on the share
equity, and the prob
of comparative measure
when the unit of measure
the £) has a variable
using power.
other unknown factor in
ming debate is what the
of the trade union
will be to the Sandi
report. The TUC did not
vidence on the grounds
to committee was dealing
technical accountancy
is was a disappointment
and it has been necessary
to establish the require
of employees from other
and from our own de
ns", the committee says,
out by the Trade Union
ch Unit.
making its recommenda
the committee has
that "no accounting
can deal with the prob

lem of inflation. "The severe
difficulties facing companies to
day are not the result of the
existing accounting system;
they are the result of inflation
itself."
The committee gives this
warning. "It should not be
assumed that accounting for
inflation is in itself a panacea
for the difficulties of companies
during a time of inflation."
Rejecting the present system
of historic cost accounting,
Sandilands says that, while it
has served companies well for
centuries, its usefulness is
sharply reduced at a time of
rapidly changing prices.
Then, acknowledging the
"valuable service in the short
term" of the accounts in re
commending the CPP method in
that it has made companies
much more aware of significant
effect inflation can have on
their results, the committee re
jects permanent adoption of the
system.
"It does not remedy the
deficiencies of historic cost
accounting and introduces a
further set of problems by
expressing accounts in a new
unit of measurement (the unit

of current purchasing power)."
Features of the system recom
mended by Sandilands—current
cost accounting—are that it
retains the pound monetary
unit. Balance sheets would
show assets and liabilities at
their value to the business in
stead of their historic cost.
In most cases the value to a
business of an asset is repre
sented by its replacement cost
under CCA, although sometimes
it might be stated at its real
isable value.
Profits for the year should
be arrived at by charging
against the amounts realized by
output the value to the busi
ness of the assets consumed in
generating those amounts.
The directors would have to
show a sources and uses of
funds statement in published
accounts, and they would also
have to show what cash re
sources are likely to be avail
able to meet the company's
needs in the coming year.
The idea of the committee is
that CCA should entirely re
place the present system—al
though the net value of assets
and depreciation on an historic
cost basis would continue to be

shown in notes to the accounts.
Sandilands also wants price
controls to be operated on a
CCA basis; used as a basis for
the profit formula in Govern
ment contracts and in Monopoly
Commission investigations.
Dealing with the question of
monetary items in accounts, the
committee says that it is mis
leading to regard gains arising
from borrowing during an infla
tionary period or losses arising
from holding cash or near cash
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set up to prepare the initial
standard of CCA for issue by
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Foreign cars continue to boost share of dwindling UK market

By Edward Townsend

Car sales in Britain in the first eight months of the year stood at 864,307, a 4.5 per cent drop on the 1974 period, in which foreign car manufacturers took a 33.7 per cent share.

Latest figures from the Society of Motor Manufacturers and Traders, show that the abnormally high sales achieved by importers at the beginning of August, tailed off gradually throughout the month. Registrations in the month totalled 153,593, of which 39.6 per cent were imported models.

Sales figures for the last two months have been distorted by the large volume of July sales which were not recorded until the P registration letter was introduced in August.

A more balanced picture is provided by combined July-August sales which totalled 210,971, a 7.6 per cent fall on the previous year. Imports took 37.7 per cent of the total.

Chrysler and Vauxhall appear to have suffered from the upsurge in foreign car buying. Chrysler's sales in August were \$844 (5.7 per cent)

and Vauxhall's 11,194 (7.2 per cent). British Leyland, still hoping that with another month to run, its Superdeal campaign will boost sales, recorded 43,765 registrations (28.4 per cent) while Ford's share was 18.4 per cent with 28,299 cars sold.

The Japanese Datsun maintained its position as the leading importer with a 6.1 per cent share. Volkswagen/Audi came second with 5.5 per cent followed by Renault (4.3 per cent) and Fiat (3.7 per cent).

Clifford Webb writes: Against a background of dumping allegations, British Leyland yesterday announced a record increase in car sales to the United States in the first eight months of this year. Sales of 52,969 were an increase of 45.7 per cent over the same period last year.

The biggest boost came from the Marina, main target for American protests of unfair trading. Nearly 12,000 Marinas have been sold so far this year, still well below the best-selling MG's 20,000.

Kuwait steps up US investments

New York, Sept 4.—Mr. Abdul-Rahman Al-Ahqui, the Kuwait Minister of Finance, said today his country was continuing to increase its annual investment in the United States.

He told a news conference that the United States, in which Kuwait has been investing for 20 years, was likely to remain the world's leading economic power for the foreseeable future.

Asked for his reaction to a statement by Mr. Daniel Moynihan, the American ambassador to the United Nations, that the Arabs were investing oil revenues almost exclusively in the West, Mr. Al-Ahqui said: "We invest a great deal in the developing countries."

Mr. Al-Ahqui said Kuwait had increased its aid fund to \$3,500m from \$600m.—Reuters.

Pricing pledge by oil ministers

New York, Sept 4.—Oil-exporting countries will raise their prices on October 1, but in such a way as not to injure world economic recovery, the oil ministers of Iran and Kuwait said in two separate interviews with the Wall Street Journal.

Mr. Jamshid Amouzegar, the Iranian minister of the interior, who also acts for his country on international oil matters, gave an estimate of the impending rise in oil prices. But Mr. Abdul Muttalib Kazimi, the Kuwaiti oil minister, said the increase might be about 10 per cent.

Some members of the Organization of Petroleum Exporting Countries maintain that the oil cartel should raise its prices by 30 to 35 per cent—Agence France-Press.

New North Sea find near Thistle field

By Malcolm Brown

Another North Sea discovery was announced yesterday by the Halibut group. The find was made in an exploration well as a new structure in the north-west of block 211/18, some 71 miles from the Thistle field.

A spokesman said the results were sufficiently encouraging for the group to undertake further exploration in the area in an attempt to find the boundary of the field.

It was not possible, however, to say at this stage whether the find was commercial.

The semi-submersible rig Blue Water 3, is now moving to drill another exploration well in the north central area of the block.

Halibut's statement came only 24 hours after British Petroleum had disclosed that the second well which it had completed on the Magnus field, had confirmed indications of a significant find. Oil Development is operator for the Halibut group.

Apart from Burmah the other members are: Champlin Petroleum Co (UK), a subsidiary of Union Pacific Corporation; Santa Fe Minerals (UK), a subsidiary of Santa Fe International Corporation; Deminor Oil and Gas, a subsidiary of Deutsche Erdöl- und Erdgasgesellschaft; Tricentral North Sea, a subsidiary of Tricentral Ltd; and Charterhouse Securities.

Slight drop in German jobless

The number of unemployed in West Germany fell slightly to 1,031,100 in August from 1,035,200 in July, but was up sharply from 527,100 in August, 1974.

The average unemployment rate was 4.5 per cent in August, which was unchanged from July but up from 2.3 per cent in August a year ago.

The number of workers laid off or on short-time was 541,400 in August, compared with 649,300 in July and 105,000 in August, 1974.

World Bank president seeks more money for development body

Washington, Sept 4.—Mr. Robert McNamara, president of the World Bank, will begin negotiations with the United States and other donor countries in November on a huge new refinancing operation for the International Development Association (IDA), the World Bank's "soft-loan" affiliate.

Mr. McNamara said the IDA, financed by grants from governments, and it approves loans for periods of up to 50 years with only a small administrative fee to the poorer nations of Latin America, Asia and Africa. The United States agreed to put up one third of the last IDA refinancing, which totalled \$4,500m.

Mr. McNamara said that the developing countries also needed greater access to the world's private capital markets. Multilateral investment guarantees would be considered further when finance ministers and central bankers meet in Jamaica in January, he said.—AP-Dow Jones.

"What we will be seeking, is a real increase in funds. America takes the view that for consumers should be dismayed that the Government wants a local price information service (Mr. Kemp, September 3). There is a good case to be made for giving better information about price ranges and price changes to enable consumers to make better buying decisions."

Sadly, the TUC-inspired political decision to give detailed local price information on a few items through local authorities is not geared to the way ordinary people shop or respond to price information.

What people want to know is the "right" price. As there is no such thing, what they would probably settle for is information about the range of prices. The "high", the "low", and the median range prevailing in say 50 per cent of the shops surveyed, with a rider about quality.

They could then decide for themselves if they wanted to go further afield for a lower price. This information is needed for hundreds, not just a few items.

Collecting it, collating it and analysing it is a job for professional organisations. Distributing it to the millions of people who shop is a job for professional communicators, not the advice centres with their average of 30 visitors a day.

Of course, this would cost a good deal more money than the Government has set aside, and that money would not be justified without a proper exercise in assessing what price information consumers do want.

Instead, we are offered a doubtful Government "bargain offer" as political window dressing. It is disappointing for everyone who thinks that consumers do need more and better information about prices.

Yours faithfully, ROSEMARY McROBERT, Director, The Retail Trading Standards Association, 360 Oxford Street, London, W1, September 3.

Spending on tobacco and food fell in decade to 1974

Food and housing accounted for a third of consumer spending in 1974, while only 1.9 per cent of total expenditure was devoted to entertainment and recreation.

This is disclosed in the National Income and Expenditure Blue Book for 1975, published today. Prepared annually by the Central Statistical Office, the Blue Book is the standard work of reference for details of the national accounts of the United Kingdom.

It shows that over the decade 1964-74, the proportion of spending on food and tobacco declined. At present prices, the percentage spent on food fell from 22.8 to 19.1, excluding meals in restaurants and hotels.

For tobacco, the fall was from 6.2 to 4.3, while for drink there was an increase, from 8.5 to 7.6 per cent.

Over the same 10 years expenditure on housing remained unchanged, a proportion of the total at constant prices, but took an increased share of current price spending, reflecting an above average price increase in this item.

There was a large rise in the proportion in both current and constant prices of expenditure by consumers on the purchase and running costs of motor vehicles.

The Blue Book also shows that the share of total domestic income taken by profits after deducting stock appreciation fell in 1974 to 6.7 per cent—well below the average of 12.3 per cent over the period 1964-1973.

Employment income increased its share of total domestic income after deducting stock appreciation to 72.3 per cent; *MISO, price £2.20.

Conway Stewart has £1.2m debts

Conway Stewart, established in 1905 and "the oldest furniture pen manufacturers in Europe", disclosed total debts of £1,210,000 at a first meeting of creditors in London yesterday.

Trading had been carried on for some years at a factory at Cambridge Road, Enfield, Middlesex, but last December the business was moved to Bedwas, South Wales.

Assets had been estimated at £555,000 on a going concern basis. But if a forced sale was necessary the assets were likely to realise only £350,000.

Mr. Norman Suddler, the official receiver, said the company also faced a £5m contingent liability under a guarantee it had given for Heston Spark Group, of which the company was a part.

LETTERS TO THE EDITOR

Window dressing on prices

From Miss Rosemary McRobert

Sir, No one who believed that competition is a "best buy" for consumers should be dismayed that the Government wants a local price information service (Mr. Kemp, September 3). There is a good case to be made for giving better information about price ranges and price changes to enable consumers to make better buying decisions.

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Yours faithfully, ROSEMARY McROBERT, Director, The Retail Trading Standards Association, 360 Oxford Street, London, W1, September 3.

Cooperative engineers

From Mr. J. A. Fletcher

Sir, The solution to a crisis of engineering education, as it appears on page 11 (the same issue, under heading "Learning operate").

An answer to the problem of creating a central, active organisation to all engineers is that the honorary officers, chiefs of most of the signal bodies "sacrifice" their personal time and relax their duties "as a step cooperation."

Changing titles or a number of representative members existing in a very little in a decade. Could we a better under the hat engineering organisation, technician an engineers, invariably together in their daily

There are about two sited occupations in each occupation, his fellows, irrespective their qualifying body, acceptable to most of who, by the very nature, their occupation, have cooperation, at or less a Your faithfully, J. A. FLETCHER, The Institute of Royal Engineers, 1 Cromwell Place, Kensington, London SW7, September 2.

Making profits more acceptable

From Mr. G. A. K. Robinson

Sir, One way of making profits more acceptable to all (John Whitmore's article, August 20) is for businessmen to stop saying that they are in business to make a profit. They are in business to make a product (or provide a service). Profit is merely necessary in order to

continue in business. If your businessmen realized this, I think a good deal of the misunderstanding would fade away.

Yours faithfully, G. A. K. ROBINSON, Perelandra, 18 Royal Park, Clifton, Bristol, August 31.

Case for wind power in saving energy

From Mr. G. W. W. Pountney

Sir, The full page evaluation taken by the Department of Energy recently in their "Save Energy" campaign has many active supporters, including myself.

It does however contain the paragraph: "Wind power is a much less likely starter. To equal the capacity of a single central power station we need 1,500 windmills with sails over 150ft across" with this implied conclusion there must be disagreement.

First, wind energy is, by its very nature, diffuse and decentralised, whereas standard power station practice centralises power generation into larger, fewer units.

Obviously, centralised generation requires the transmission of the energy to the user and this function is normally done by those familiar overhead line pylons. There are about 60,000 pylons in the country, thus averaging about 700 pylons per central power station.

We should therefore be comparing 1,500 windmills of an arbitrary size with a power station supplying 700 pylons, of which are larger than the specified windmills. (This is fairer but still ignores the transport of fuel to the power station).

These pylons must be incessantly spaced, at cable supporting intervals, across parkland, downs and coombs irrespective of whether the

intervening area requires them or not. Such is not the case with wind units.

Secondly, modern energy producing windmills allow for the generation of hot water for space heating and normal electricity voltages and frequencies. They may also have facilities for storage and standby duties. They are fully automatic, self starting and self regulating and remain operational in calm force winds.

The energy expended in their construction is repaid from the energy they generate within a year (not so nuclear stations). They use British steel, British labour and contribute to the balance of payments. In most cases they are capable of being commissioned within a matter of days of order and are re-erectable if necessary.

Thirdly, windmill economies depend almost entirely on the windiness of the site and the size of the wind unit.

It is of the greatest importance to note that those areas where the ill-fated of the national grid peters out are generally the most suitable as wind energy sites. There are economic limits to which grid philosophy can be taken, as must be apparent by the connection charges now in force in various areas. These charges are reasonable in as far as they reflect the government's direct contribution to the electricity supply industry, the inevitable consumers needn't agree.

A last thought—1,500 locked windmills are target for any nocturnal misanthrope that may be good in the North Sea.

I remain, Yours faithfully, G. W. W. POUNTNEY, Director, The Wind Energy Supply Limited, South Hill, Redhill, Surrey, September 2.

Recommended prices policy under attack

By David Young

After an investigation into the sanitary towel and tampon industry the Price Commission has urged that the practice of recommending retail prices for such products should be abandoned or, alternatively, there should be an immediate 10 per cent cut in the recommended prices.

In a report the commission says that the recommending of retail prices is resulting in higher prices being charged in some shops than is necessary or desirable.

In its investigations the commission found that only one manufacturer, Kimberly-Clark, does not recommend retail prices because it believes the practice put up shelf prices.

The investigations spanned September, 1972, to June this year, when the retail price of sanitary towels increased by between 44 and 70 per cent and the cost of tampons by between 16 and 24 per cent.

Between the end of September, 1972, and the end of March this year sanitary towel manufacturing costs, in which the biggest increase was raw materials, rose by 62 per cent compared with 58.5 per cent for manufacturers' prices to the trade.

Manufacturers' net profit on towels averaged about 10 per cent in the half year to September, 1972, but fell to 2.6 per cent by March, 1975.

The report says that competition in the towel market

may have intensified, but it has not brought prices below those allowed by the Price Code for the market leader, Southalls.

Only two companies, Southalls and Tampax, make tampons in any quantity and the report adds that when raw material costs increased by 30 per cent Tampax raised its prices to the trade by 23 per cent and Southalls by 27.6 per cent.

Manufacturers' net profit margins on tampons fell from an average of 39.5 per cent to 32.3 per cent. But the report comments that the profitability of Tampax is high by any standard, largely the result of technical efficiency and economies of scale.

Southalls' profits, though lower, nevertheless comfortably

exceeded those earned by the average manufacturing company.

The National Pharmaceutical Union, which represents the 10,000 independent retail chemists, said the abandonment of recommended retail prices or a cut in them could only result in a reduction of the choice available to women and increase the number of chemist shops closing.

The Commission yesterday also published a report on its findings during an investigation of the diabetic food industry and points out that now that certain raw material prices are falling it is important to ensure that this is reflected in retail prices. A watch will be kept on the prices of these foods.

Redland

Results for the year ended 31st March.

	£ MILLIONS	
	1974/75	1973/74
SALES		
United Kingdom	70.20	63.63
Overseas	84.17	74.13
TOTAL	154.37	137.76
PROFIT BEFORE TAX		
United Kingdom Subsidiaries	5.00	7.93
Overseas Subsidiaries	10.79	12.47
Associated Companies	3.27	3.86
TOTAL	19.06	24.26
PROFIT ATTRIBUTABLE TO REDLAND LIMITED		
	6.82	9.21
Proportion Earned Overseas	60.3%	53.3%
Earnings per share	8.75p	12.03p
Dividend per share	4.37p	3.88p

After the year end the Company made a successful rights issue for £7.5 million. Shareholders took up 83.4% and the balance was placed at a premium in the market. The funds derived from it will enable Redland to resume selective expansion, principally overseas. Opportunities for such development are being actively pursued throughout the world.

Copies of the 1975 Annual Report can be obtained from The Secretary, Redland Limited, Reigate, Surrey.

NOTICE OF ISSUE

Application has been made to the Council of The Stock Exchange for the undermentioned Preference Stock to be admitted to the Official List.

ABRIDGED PARTICULARS

The York Waterworks Company

(Incorporated in England on 14th May, 1846, by Special Act of Parliament.)

OFFER FOR SALE BY TENDER OF £2,500,000

9 per cent. Redeemable Preference Stock, 1980

(which will mature for redemption at par on 1st October, 1980)

Minimum Price of Issue £98 per £100 Stock

This Stock is an investment authorised by Section 1 of the Trustee Investments Act, 1961, and by paragraph 10 of Part II of the First Schedule thereto. Under that paragraph the required rate of dividend on the Ordinary Capital of the Company was 4 per cent. but, by the Trustee Investments (Water Companies) Order, 1973, such rate was reduced to 2.5 per cent. In relation to dividends paid during any year after 1972.

The Stock will be entitled to a dividend of 9 per cent per annum without deduction of tax. Under the imputation tax system, the associated tax credit at the present rate of advance corporation tax (35/65ths of the distribution) is equal to a rate of 4 11/13ths per cent. per annum.

A deposit of £10 per £100 of nominal amount of Stock applied for must accompany each Tender, which must be sent to Deloitte & Co., New Issues Department, P.O. Box 207, 128, Queen Victoria Street, London EC4P 4JX, in a sealed envelope marked "Tender for York Water Stock" so as to be received not later than 11 a.m. on Thursday, 11th September, 1975, being the time of the opening of the subscription lists and before which no allotment will be made. The balance of the purchase money will be payable on or before Tuesday, 30th September, 1975. Tenders must be for a minimum of £100 of Stock and above that in multiples of £100.

STATUTORY AND GENERAL INFORMATION

The Company (originally called The York New Waterworks Company) was incorporated by Special Act of Parliament in 1846 and now supplies water within the administrative area of the City of York District Council and within parts of the administrative areas of the Harrogate, Ryedale and Selby District Councils in the County of North Yorkshire, comprising an area of some 131 square miles and an estimated population of 161,000. The total length of mains in the Company's area of supply is 508 miles and the average daily quantity of water supplied by the Company is 10 million gallons.

The present issue is being made to provide funds towards financing capital expenditure incurred or to be incurred on modernising and extending existing works and on mains and other works necessary for the maintenance and improvement of supplies in the Company's area. Such works include the construction of a new reservoir at Sward's How, the modernisation of the Company's Acomb Landing Treatment Works and improvements to the distribution system at an estimated total cost of approximately £4,500,000. Of this sum £875,000 had already been expended at 31st December, 1974, and the Company is party to a number of contracts relating to such works of a total value of £2,600,000, all of which have been entered into in the ordinary course of the Company's business. The programme of capital expenditure is a continuing one and it will be necessary for the Company to raise further capital in due course.

Copies of the Prospectus, on the terms of which alone Tenders will be considered, and Forms of Tender may be obtained from:—

Saymour, Pierce & Co.,
10, Old Jewry, London EC2R 8EA

Barclays Bank Limited,
Mansion House Branch, St. Helen's Square, York, YO1 1XB,
and from the Company's principal office, Lendal Tower, York, YO1 2DL.

BY THE FINANCIAL EDITOR

A counter proposal from Sandilands

At the accountancy profession's current value system, a provisional standard plumped for a Purchasing Power system on accounting, the total of CPP by the Sandilands does not automatically represent a big defeat for accountancy bodies, apart from the fact that the system is not automatically accepted because it seemed to be the most easily form of account adjustment. Sandilands has now decided the considerable technical methods in fact it would be utterly impossible to suppose that whatever the concept, the concept of current purchasing without merit.

idlands rightly points out interest of an increase in the performance of the stock market rather than company per se, but is wrong to suggest that a price itself may not be by investors' view in which a company's value is in terms of a cost of value.

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idlands rightly points out interest of an increase in the performance of the stock market rather than company per se, but is wrong to suggest that a price itself may not be by investors' view in which a company's value is in terms of a cost of value.

before we attain an accepted inflation accounting system. All the same, Sandilands is not going to do anything for ICI's share price, and not is the outlook for the seasonally depressed third quarter, during which the group has to contend with lower fertilizer sales and markets for plastics and fibres which, except in relation to the relatively small American business, are still thoroughly depressed. The second half will see a rise in costs alone rise by £60m, too.

Nevertheless, ICI is persevering with its capital expenditure plans, which means short-term that the heavy cash balances will be down by the year-end, and longer-term that the group should be very well supplied with capacity by the time of the next chemicals boom. The 6.5 per cent yield on the shares, at 280p, is reasonably attractive with that in prospect—but a price rise for recovery alone should be postponed until there is real evidence of it.

2nd Quarter: 1975 (1974)
Capitalization £1,333m
Sales £754m (£733m)
Pre-tax Profit £78m (£132m)
Dividend gross* 10.65p (9.04p)
*Interim

BET Under pressure from Thames

British Electric Traction's shares have not moved far out of line with the market this year—as indeed one might have expected from a company with such a wide spread of interests.

Fully half of the drop has come from the Boulton & Paul joinery and builders' merchant business where profits have already been reported down from £5.1m to £1.4m. Thames Television is down as well and there remains the troublesome Murphy Bros civil engineering contract.

Unfortunately it is hard to be too optimistic on any of these counts for the present year and as far as Thames is concerned the outlook must be one of unrelieved gloom. So it looks realistic to expect slightly lower, or at best unchanged, results in the present year. There may be some scope for relief at the earnings level, given that this year's charge of 56 per cent has been pushed up by ungroupable losses in Hongkong. But the yield of 8.4 per cent and the p/e ratio of 9.4 do not leave much scope for any general uprating against the market.

Final: 1974-75 (1973-74)
Capitalization £1,100m
Sales £377m (£309m)
Pre-tax Profit £37.8m (£45.9m)
Earnings per share 8.3p (12.2p)
Dividend gross 6.54p (6.33p)

British Petroleum Still on a declining trend

BP's second quarter sales volumes trace out the line of international recession. Crude oil sales slipped from 22.9 million tons to 21.5 million between the first and second quarters of 1975 and, with industrial activity weak almost universally, crude sales will have continued to slip in the third quarter.

Against this there has been a slightly firmer tone in the Rotterdam spot market in recent weeks, and it is worth remembering here that oil demand tends to move in advance of national economies. If the spot market really is beginning to anticipate a recovery that could help not only BP's sales but also the long term contracts that account for around 65 per cent of group crude sales.

These are straws in the wind, however, and if Opec decides at its September congress to hoist crude prices again, perhaps by another \$1 a barrel, it is doubtful whether the market will be firm enough by then for BP to pass it on. So a further decline in crude trading margins looks almost inevitable.

Product sales, including chemicals, also slipped, by 5 per cent to 20.6 million tons, between the first and second quarters.

BP is running most of its tanker fleet well below capacity, too, by slow-steaming, though this, taken with the laying up of new VLCCs and scrapping of obsolete tonnage, should avoid any big trauma on the tanker side. Net income will almost certainly stay on a declining trend through the third and fourth quarters but BP's shares (supported by a 5.5 per cent yield) were slightly firmer at 540p by last night where they yield just 5.23 per cent prospectively. The stock market is assuming that oil demand will have revived by the time North Sea and Alaska are well on stream in 1977, and the market is almost certainly right.

Interim: 1975 (1974)
Capitalization £2,084m
Sales £3,630m (£3,871m)
Net income £79.5m (£82.1m)
Dividend gross 9.625p (8.746p)
*includes £175m non-recurring stock profit

Dalgety Severe second half fall
Dalgety's pre-tax profits dropped 65 per cent last year, more if one excludes the £976,000 addition from an extra three months of United States and Canada sales, which the really hefty fall coming in the second six months. Australia was the worst hit area, turning in losses of £3.6m, including £0.8m writedowns in livestock values, with the problems centring on squeezed incomes from the farming community and poor prices.

Dalgety talks of a \$175m fall in commission sales here, but this could show some recovery in the current year. Wool prices are understood to be timidly creeping up in recent weeks.

It is roughly the same picture in New Zealand, where pre-tax profits dropped from \$5m to just under \$2m, but the United States, well ahead at £1.4m.

In the United Kingdom, profits were surprisingly buoyant at £4.6m, up from £4.1m after financing losses on Croftfields & Calneport. For the current year it is evidently hoped that Canada and the United States, where lead indicators are turning up, will see the group on to some sort of recovery track. The trading scenario may be vague, but commodity prices are due for some sort of an upturn, as are the much valued world refiners' margins. While there are obvious worries surrounding a dividend that was uncovered by earnings last year, there could be some interest in the shares which yield around 7 1/2 per cent at 167p.

Final: 1974-75 (1973-74)
Capitalization £41.6m
Sales £624m (£470m)
Pre-tax Profit £177m (£19.2m)
Earnings per share 4.8p (36.3p)
Dividend gross 12.5p (11.37p)

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Inflation accounting still makes sense

John Whitmore

By the time the Sandilands report on inflation accounting dropped on to the desks of Mr Peter Shore and Mr Denis Healey shortly before the end of June, there was already some cause to feel that the report—let alone any implementation of its recommendations—was coming rather late in the day.

That said, and even allowing for the prospect of a sharply declining rate of inflation over the next year or so, the need to fix on and adopt some method of accounting for inflation in the future is, in fact, no way diminished. Clearly, inflationary cycles are going to recur—perhaps sooner than expected—while, even if the rate of inflation is brought down to single figures by the end of next year, it will probably still be running at a level that is historically high and certainly high enough to justify a transition from traditional accounting methods.

The validity of the second point is brought home all the more sharply by the fact that even countries which have not experienced the kind of inflation seen in Britain are taking the validity of accounting seriously. That the Brazilians have been forced to modify their accounting methods goes without saying. Nor is it any surprise that Australia, with a recent inflation rate not so dissimilar to that in Britain, is taking inflation accounting seriously.

But Holland, with an appreciably lower rate of inflation than Britain, has also taken the validity of accounting seriously. That the Brazilians have been forced to modify their accounting methods goes without saying. Nor is it any surprise that Australia, with a recent inflation rate not so dissimilar to that in Britain, is taking inflation accounting seriously.

Not that any of this is the fault of the Sandilands committee, which quickly came to realize that the originally mooted timescale for the report of two years was one which could not be afforded. Any delay in the report would have been a failure of the Government's promise to propose on what should be done about corporate accounting in a period of above-average inflation attaches to government itself.

Early studies

The hope of governments, of course, is that one way or another inflation will eventually "go away". The accountancy profession, on the other hand, appeared to be less convinced. It has been represented by the implications of inflation for the corporate sector and corporate accounting at a fairly early stage.

In January, 1973, this resulted in the Accounting Standards Steering Committee publishing an exposure draft (ED 8) on "Accounting for changes in the purchasing power of money". This was to become the basis of May 1974's provisional standard—Statement of Standard Accounting Practice No 7—requiring quoted companies to add to future accounts (for accounting years beginning on or after June 30, 1974) a supplementary statement to give a better idea of the impact that inflation had had on profits.

In short, this was to be shown by translating specified accounting items from pounds, which were being represented by pounds of different ages and different values, into units of comparable value—units of current purchasing power.

The response of the Government to all this and, more particularly, the mounting criticism of the way in which traditional accounting methods led to an undesirable tax burden on companies in a period of high inflation, was Mr Peter Walker's promise in the summer of 1973 of a government-backed inquiry into inflation accounting. But if the intention had now been to wait until the cost of a surprisingly long time for the Government to set the pro-

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chasing date—often stocks purchased in the previous year. So long as the cost of buying stocks remains constant, this presents no problems. But once the cost of new stock starts to rise, then the situation changes.

What happens in effect is that the cost of sales comes, in part at least, to reflect the cost of stocks purchased in prior periods at cheaper rates. In other words, the cost of sales no longer fully reflects the current price of replacing stocks or the cost of maintaining stock levels at a constant physical level.

To the extent, therefore, that the cost of maintaining stocks at a constant level is under-provided, profits are, by definition, overstated.

As a very simple example, take a company that starts the year with 100 stock units at a cost of £10 each, or £1,000 in total. Assume that it sells these units for £12 each and reinvests the proceeds in 100 new units which now cost it, too, £12 each.

This gives a sum for the cost of sales of £1,000 + £1,200 = £2,200, a net figure of £1,000. Subtract the cost of sales from the sales proceeds of £1,200 and one has a profit of £200.

Inherent danger

On the assumption, however, that profit is what is left over after maintaining stock at a constant physical level, the picture becomes clear that the cost of sales has been understated and that there is no profit at all.

The inherent dangers of historic cost accounting in a period of high inflation should become immediately apparent from the above examples. Two of the main ones, for instance, relate to taxation and dividends.

As far as taxation goes, it is not hard to see why companies are unhappy about paying tax on profits that are inflated by allowing in full for the cost of maintaining the physical size of the business at a constant level. For to the extent that these profits represent cash that is needed to achieve this aim, any additional cash on this cash by way of tax would lead to a further reduction in the physical size of the business at a constant level or a recourse to borrowings to do so.

Similarly with dividends. To the extent that profit does not make allowance for the full cost of maintaining the business at higher price levels, there is a obvious danger in taking profit to represent cash that is available for distribution. In the case of both the examples used, it is clear that none of the "profits" should have been made available for distribution.

Now, then, to the question of stock valuation. The traditional method of dealing with stocks in British companies is the FIFO, or "First in First out", system. Under this, the first units taken into the reckoning are the oldest of sales in an accounting year are the oldest in terms of pur-

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How solar heating is becoming a practical proposition

If solar energy were used to meet the domestic hot water requirements of Britain throughout the summer, and contribute to those requirements in the winter, the potential saving in primary energy use would be up to 4 per cent of our total national energy consumption. This would be equivalent to eight million tons of oil, worth, at present import prices, about £300m.

These estimates were given earlier this week by Mr Peter le Cheminant, Deputy Secretary at the Department of Energy with special responsibility for energy conservation policy.

Mr le Cheminant hastened to add that these figures represented a theoretical extreme which was most unlikely to be achieved. But, he emphasized, the use of solar energy for domestic water heating and perhaps for domestic space heating could make a significant contribution to energy supplies in the longer term.

What stimulated his remarks was the announcement of the winners of a solar heating design competition sponsored by the Copper Development Association, Putters Bar. This competition attracted 99 entries, nine of which were awarded prizes.

The aim was to encourage the design of efficient, economically feasible, copper-using systems for water and/or space heating. Copper is not the only material which is suitable for the solar-energy collector panels which are used in most of these systems—aluminium panels are used in the new town of Milton Keynes, for example—but copper offers a number of advantages. In particular, since copper tube is used for most domestic water systems, it makes sense to use copper for the "wet side" of a solar heating system to avoid the corrosion problems associated with mixed-metal systems.

Many of the projects which were entered for the CDA competition were designs which have yet to be built and tested. But one of the joint first prize-winners, submitted by the Maslin/Franklin partnership of Croydon, is significant in that it has been built and is now being installed for water heating in three Wexham houses at Forestdale, near Croydon.

Externally these houses are identical to other houses at Crofts Mead, Forestdale, except for large solar collector panels in the south-facing side of the roof. The solar heating system is self-contained in the roof space, with connections up from the rising main and down to the main hot-water cylinder.

Sections of the solar collector—made up of lengths of half inch copper tube and flat strips—fit between the rafters. They are chemically treated to give a black surface which absorbs

a high proportion of radiation (even when the sun is not shining directly on the roof); and they are single-glazed on the outside and quilt-insulated on the inside.

A 20 per cent mixture of ethylene glycol and water passes through the copper tubes. This, when heated by the solar radiation, is pumped through a heat-exchange coil inside a 50-gallon reservoir cylinder, so heating the water in the cylinder.

Cold water passes into this cylinder from an integral header tank above it; after heating, the water supplies the main hot-water cylinder in the house. This has an immersion heater for use when necessary.

The control system includes temperature sensors so that the pump is brought into use whenever the collector temperature is higher than the reservoir temperature by a predetermined amount.

If little water is drawn at a time when the weather is hot, the water temperature could become dangerously high unless precautions are taken. To avoid the risk of scalding, excess heat above a preset temperature level is dispersed automatically by a fan-cooled, finned-tube cooler in the circuit.


On the architects' figures, the system should give a saving of up to 60 per cent (about £64 at today's electricity prices) on each household's yearly water-heating bills. That is, solar heating alone can provide 60 per cent of the hot water.

Costs are difficult to estimate since the collector panels (designed and made by Imperial Metal Industries) are not yet in volume production. But the extra cost (to the builder) of incorporating such a system into a new house is put at £376. This is based on a collector area of 88 square feet, as at Croydon.

Over the next two years, Wates will monitor the performance of the solar heating systems in the three homes at Forestdale, which should be ready for occupation in November.

There are a number of more ambitious experimental solar-energy house-heating projects in being and in prospect elsewhere in Europe and the United States, but the result this week of the CDA competition has shown that conventional, existing technology can already make a worthwhile contribution to harnessing the power of the sun—even in Britain.

Kenneth Owen
Technology Correspondent



Report of The Wellman Engineering Corporation Limited for the year ended 31st March 1975

Salient points from the circulated Statement of the Chairman, Mr. Alan C.N. Hopkins, M.A., LL.B.

- Turnover up by 38% to £13,500,000
- Dividend covered 2.2 times
- Exports 45% of Group Sales
- High Order Book at Year End

Facts & Figures	1975	1974
Profit before taxation	£906,291	£734,511
Assets Employed	£5,034,121	£4,604,600
Asset Value	per share 44.7p	42.7p
Earnings after tax	4.00p	3.22p
Dividend	1.799p	1.692p

Business Diary: Back into the warm • Leyland's loss

blush the Newham at Labour Hall is an obvious place for the of the career of the most spectacular all "whizz-kids" of seventies.

en come to think of Woods, once one of the self-made millionaires country, who built his the now collapsed Nor-sulation group from twice resigned during ric life is not the most nan to be coming back ried employee (£4,500 of Britain's newest participation com- t they men who bs (apart from Woods will own the shares. t is what is happening moon with the incor- at five o'clock of insulation (Workers' ion), which has been 30 former employees r who are each put- 200 in cash now and leg £300 on demands they are setting in per cent of the shares company which will n itself a share of the insulation market. nergy conservation to trial plants.

ic was managing direc- rbury, which employed s peak, Woods' career ctacular and com- a 1971 insider trading in a severe censure by ver Panel and his n from the board, and

ACCOUNT DAYS: Dealings Began, Aug 22. Dealings End, Today. § Contango Day, Sept 5. Settlement Day, Sept 16.
§ Forward bargains are permitted on two previous days.

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